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STRATAGEMS OF PEKING'S DIPLOMACY

It is rather a fascinating exercise to follow closely the manner in which the non-Soviet members of the Socialist camp handle the still somewhat delicate matter of their relations with each other vis-a-vis the boss of the camp, and how discreetly China acknowledges aid from the satellites in the context of aid from the Soviet Union. The wider and more direct the area of aid the better, of course, and Peking is trying, as cautiously as necessary, to enlarge its connections as it is trying to widen its trade—a process that has gained much impetus in the last three years when it was discovered with something of a jolt that China's dependence on the senior partner was increasing rather than decreasing. There was in fact a period when almost all her trade had to be transacted through the Soviet Union, and at a time when Moscow drove a harder bargain than any mere capitalists.

Occasionally there are flattering references to Chinese action calculated to minister to China's amour propre. When the Czechoslovak Premier, for example, was in China last March he told a mass gathering at a civic reception in Shanghai that China's "correct stand based on principle" had helped to expose various revisionist efforts in the field of theory and increased the power of the Socialist camp. The great success of this stand was that it had given "all nations invincible strength to carry on their struggle for freedom and independence towards final victory . . . and for peaceful co-existence among countries with different social systems." These utterances, according to the Chinese news agency, aroused great cheers. One might have assumed that China was no longer the pupil but at least the partner and possibly even wiser than the Kremlin leaders.

When the Polish Premier and his delegation went to China in April both parties were careful to place the visit in the context of a natural return

courtesy. It is the usual thing to couch the natural expressions of hope that these visits will contribute to developing and improving fraternal relations with the further reference that they will likewise contribute to "the greater consolidation of the unity of the Socialist countries." The Poles were a little more punctilious at first about this than was Peking, but the latter took the cue in due course and three days later matched the Polish pronouncement. Another convention is for the visitors to express their keen interest in the way in which China is handling the problems of transformation. The assurance is not a polite nothing: the interest is genuine—as obvious as the Russian technique is becoming of continuously less interest. And not solely because the Soviet Union presents the appearance of a State with nothing new to contribute but consolidation and solidification, whereas China is changing and modifying all the time.

There is no doubt that in the many chats the leaders had outside the more formal conference they talked quite freely to one another. We may safely assume that the most animated discussions took place on the respective policies and experiences in the land and peasant problems. The Polish Premier was doubtless interested in agricultural collectives on the basis of co-operative (and not State) ownership in China and how they were faring. China has already had one or two shocks by the ease in which the Agricultural Co-operatives could dissolve into thin air, as happened in Chekiang and some other centres before the great surge of collectivism after Chairman Mao's famous speech at the end of July, 1955. No doubt Chairman Mao and Premier Chou were just as anxious to hear how the peasants in Poland feel now that they have smashed up the collectives there. In both cases it will be helpful to China it would be of peculiar interest to see from Polish experience how the immemorial back door

functions, should collectivisation of farming in China prove after all a colossal disappointment and have to be abandoned for some more individualist form of production and incentive.

It may be assumed also that the Polish Delegation were equally interested in how China's transformation of the villages and farms is going after a year's substantial trial involving far the greater part of the country's peasant households. Peking may also have evinced some interest in Poland's efforts to secure American aid, after the manner of Marshal Tito. There are more in these contacts than meet the eye.

A Warsaw despatch after the return of the Polish Premier and his colleagues from China, India and five other Asian countries, said the delegation had formed the opinion that Chairman Mao and Premier Chou En-lai are completely behind the Yugoslav and Polish principles of National Communism and would practise it for themselves if it were not for the fact that they are at the moment very dependent on Moscow. The Chinese, it was asserted, are "terribly ambitious" to be the leaders not only of the Asian world but also of the Communists," which they hold to be their right in view of their vast population. For the time being, however, they are bound to the Soviet Union because of their economic needs, which cannot be met from the West, and politically because the U.S.A. will not recognise their existence. The Chinese are said to believe that as long as they are to some extent under Moscow's thumb their development will be kept back by the Russians. One of the Polish Premier's prime motives in undertaking his five-week tour, at a time when Poland's economic difficulties are worsening daily, were to obtain full support from India and China for the present system in Warsaw. It was felt that the Soviet Union would be less likely to interfere in Poland's internal affairs if she had to do it in the face of the united opposition of Mr. Nehru and Premier Chou En-lai.

These exchanges of visit help to make it manifest, to the observant home public as well as to others, that the Soviet no longer has a stranglehold and that each can make its own independent arrangements among the former satellites. The visit of the Siroky delegation, for example, led to a treaty of Friendship and Co-operation, and expressions such as that "no force could undermine the solidarity between China and Czechoslovakia"—which seemed to apply no less to Moscow than to Washington!

The visit to Peking of the Socialist Party Delegation from Japan was preceded, for instance, by the similarly unofficial Japanese economic delegation from Kansai, which signed a Sino-Japanese trade statement announcing that China and Japan "should" exchange essential goods—China to supply Japan with coal, iron ore, salt, etc., as of yore, in return for heavy-type machinery, ships, telecommunications equipment, non-ferrous metals, steel and iron. The delegates said that Japanese industrialists were fighting vigorously to abolish the

existing embargo on these goods and would carry on this good work when they got back to Japan.

The Japanese Socialist delegation discussed with the Peking leaders national issues almost as if they had already been charged with responsibility and authority, instead of being a minority in opposition. The Japanese have to be as discreet in their private and particular adventures in these domains as the satellites of Moscow have to be for they have to reckon with the approval or disapproval of Washington as Poland, China, Hungary and all others except Yugoslavia have to reckon with the smile or frown of the men in the Kremlin.

All these discussions could have a concrete purpose in shortening the negotiations when they are ultimately arranged. In this respect, by covering concrete problems and forming tentative conclusions, they are a very considerable advance on the previous round of "diplomatic interchanges" based on the Communist International and the World Peace Council, which was a mere traffic in high-sounding slogans, although no Government in Japan, whether Socialist or otherwise, would be so ready to handle the Taiwan-Nationalist complex quite so cavalierly as Mr. Asanuma and his colleagues did. As it was the Socialists washed their hands of it altogether. Taiwan is an integral part of China and must be solved "primarily" by the Chinese Government itself. The quid pro quo for this bird that does not actually lie in Japan's hand was the very definite bird in the bush that "when this problem is solved there will be no more imperilments in the way of the normalisation of Japan-China relations." That strikes a resounding chord in Japanese sentiment. They have been quarrelling for nearly the whole of the last half-century which coincided with their emergence into the modern world: indeed they have never really been on amicable terms for the past 100 years, though neither Japan's intervention in Korea at the turn of the century nor the seizure of Formosa which followed the Sino-Japanese "war" affected the Chinese quite so much as the Twenty-one Demands and the Shantung Award at Versailles. Yet the 21 demands may be contrasted with the 101 offers accepted from the Soviet; the trouble was that the Japanese tried to force the Chinese to let them get busy modernising the land while the Chinese Communists literally demanded that the Soviet should do this for them!

The Japanese Socialists undertook to influence official policy, to launch a nation-wide movement and strive at the same time for a Socialist regime—linking up their own desire for office with the natural desire of the Japanese people for solid, durable and effective relations with China after persistent estrangement. But the Japanese Prime Minister himself has many other cards to play and considerations to serve. He is going to Washington and New York, to South-east Asia, and even perhaps to the Soviet Union and to South America. The general idea is that America should put up the money and Japan provide the technical know-how and managerial

ability to translate big economic schemes in South-east Asia from paper to reality. Originally that was rather looked upon as an alternative to Japan's closer relations with China. It looks as though there will have to be a half-and-half solution.

Meanwhile the revision of the "Security Treaty" is quite a delicate matter. It has been a little easier by the offer of Premier Chou En-lai to abrogate the anti-Japanese Alliance with the Soviet Union if the Japanese tore up their Security Pact with the United States, but while Japan naturally wishes to have a policy of her own and complete her emancipation from the obligations of defeat, she finds it hard to rely on the word either

of the Soviet Union or of Communist China. And the American Pact implies and actually conveys far more than mere security. Indeed in this respect it cannot be matched. It has been suggested sometimes that the complications are such that an agreement is more readily negotiated between Japan and the Soviet Union than with China, and while relations between Peking and the U.S. are so strained that has the substance of truth. But there is no real solution of the Pacific problem than an all-round Pacific agreement to embrace all Powers with permanent interests and a geographical footing in the area. The first step, however, would consist of relieving Japan of any pressure on her pride, which involves a revision of the Security Pact.

CONTRADICTIONS IN PEKING AND THE PEASANTS

The unpublished address by Chairman Mao Tse-tung to the Supreme State Conference, which included members of the PPCC, set the tone and atmosphere of that important conference. He referred to the best means of solving the conflicts among the people (the Communists prefer the term contradictions), admitted that discontent prevailed among students, peasants, intellectuals and the national bourgeoisie, and attributed this to the internal contradictions between the Marxist-Leninist policies of the Government and their every-day practical application. He called for frank and full discussion of these conflicts in order to avoid a situation similar to that which led to the insurrection in Hungary last October. It was agreed on all hands that the session was one of the most open ever held, and that the delegates gave voice to strong, though well balanced criticisms of the regime. One foreign news agency said it was expected that the conference would have "a profound influence on political life, especially in the countryside, where the criticisms were widely publicised and commented on by newspapers and local representative organisations."

The coincidence of the final resolutions (or rather recommendations since it is not an organ of State authority) of the P.P.C.C. and of the publication of a Directive jointly issued by the Central Committee of the CCP and the State Council appealing to the farmers for a bumper harvest was scarcely pure chance. The serious state of affairs in many of the provinces stricken by the calamities of last summer, especially in the North, could never have been absent from the minds of the delegates to the Conference as they listened to hundreds of speeches and reports. There were plenty of problems in the industrial and mining areas to consider, but the major concern related to agricultural production and organisation. The Directive on the new farm co-operative regulations was obviously designed to reduce the growing friction between the peasants and the cadres in charge of the APCs, which is by no means limited to the more sorely-stricken provinces—where the peasants have been virtually told they must fend for themselves until the autumn harvest, where earlier crops are impossible because of the water-logged ground after the North China floods.

The decision to permit members of the APCs to exercise stricter control over the general policies as laid down by the directors of the co-operatives, and to compel all APCs to make public their financial income, expenses, and loans and deposits are designed to democratise the management in place of the commandism which has prevailed so often, and to reduce the quarrels, suspicions, and criticism and bad feelings which have been developed among the cadres and the peasants and between the peasant members of the APCs themselves. A further measure in the regulations aiming at the same end, is to set up an advisory council in each APC, the members of which will consist of older peasants.

All important questions must be discussed with them and full use be made of the beneficial and reasonable experience of the old peasants. What is more, some of the young bureaucrats who have been issuing orders right and left from the remote recesses of their own offices must now spend a lot more of their time in the field so as to get a practical knowledge of what it is all about and a better understanding of concrete questions.

It was admitted that earlier appeals for a bumper harvest had met with complete passivity from most of the newer APCs. While it is assumed outside China that such an attitude is the normal result of the excessive haste of co-operativization, ordered by Chairman Mao Tung-tung at the end of July, 1955, it is attributed by the Chinese themselves to the combined effects of a bad harvest last year and the unsatisfactory and unduly low price set for State-controlled grain purchases. Many of the peasants who had expected to find from the co-operative movement an improvement of their stagnant condition were bitterly disappointed and disillusioned that they had more work but less income, in spite of all official assurances. And recently there has been a serious defection of members of the APCs who have thronged to the larger cities in the hope of a better living. The appeal for a bumper harvest was timed to coincide with the Spring sowing. It calls for an increase in the acreage of multiple cropping, expansion of the area of double cropping of ricefields, the wider use of good seeds and of new types of farm implements. The managers of the APCs are called upon to concentrate on grain production primarily and at the same time to promote the production of cotton and other industrial crops to carry out the policy of developing multiple economy. The development is to be encouraged of animal husbandry, forestry, fishery and other side occupations, many of which were neglected last year owing to the concentration of the Party cadres on attainment of the high grain targets set. These were not attained and at the same time the peasants lost a good deal by inability to follow their profitable side occupations.

The Directive orders Party and Government organisations to send experienced people to the countryside to guide the work. This call was dovetailed with the demand for a great reduction in the Party and Government establishments throughout the provinces, with the result that many of the officials on the provincial and county levels were packed off to the villages. How this will work out remains to be seen. The tension throughout the countryside has been kept within the bounds of order by reason of the fact that the activists who later became local cadres sympathised with their fellow-peasants, while the large loans made by Government were allowed for the most part to remain outstanding. But for this there might have been scenes in the countryside not unlike those reported over the border in North Vietnam

REPORTS FROM CHINA

Foreign Policy: The Sino-Polish joint statement on international affairs signed by Chou En-lai and Polish Chairman Cyrankiewicz recently in Peking bragged that nuclear tests should be immediately stopped; a European collective security system, including Germany, should be established; the Baghdad pact should be abrogated and foreign military bases in the Middle East removed; free passage through the Suez must respect Egypt's sovereign right over the Canal and the use of UN emergency force in the Gaza area and the Gulf of Aqaba should only be of a temporary nature and with Egypt's consent; the unification of Germany should be supported; the "colonialist" countries should immediately return Goa and West Irian to countries they belong to; the Kashmir issue should be settled by peaceful negotiation between countries concerned; the strict carrying out of the Geneva agreement in Indochina should be supported; the peaceful, democratic unification of Korea should be achieved; peaceful coexistence among nations with different systems should be maintained; the solidarity of socialist countries should be strengthened on the principles of proletarian internationalism and equality among nations; and finally, the two countries should consistently combat all deviations, whether doctrinaire or revisionist, and reaffirm the support for Hungary in its struggle to consolidate the socialist system and eliminate the consequences of past mistakes.

Wage Increase and Price Hike: All-China Federation of Trade Unions in Peking issued a report on 'Results of Wage Increase' boasting that as a result of last year's average 13% wage increase, workers are spending 8% more of their income on household and luxury items; money spent on food is 5% less than before although the amount of food bought is greater. The federation added that prices had remained stable in the main over the past years. Compared with 1952, the price index had gone up only 8% while service charges reduced by 0.8%. A few days later, State Council announced a price rise in a number of commodities including salt, pork, some edible oils, woollen textiles, cigarettes and other consumer goods. Peking explained that peasants' incomes would be increased. "This rise, essential to secure a balance in the budget and in the relation of purchasing power to supplies, would be stabilised as a result of production increases and government control of basic commodities which were already taking place," was the high-sounding statement. Low government purchasing prices had resulted in a decline in the number of live pigs and stagnancy in the acreage sown to oil crops. To rectify this situation government increased price for live pigs by 13% but did not pass this on to the public who were only paying 7% more for pork. To prevent a budget deficit, this difference was spread over other commodities. Too heavy investments in capital construction last year led to a shortage of some raw material and consequently to a rise in prices. Shortage of vegetables, due to the great rise in city populations and aggravated by frost, also stimulated prices. Peking finally admitted that advance of living standards in China could only be a gradual

in November last year, when popular unrest was widespread. The remedy, like that found for the uprising in Hungary and the trouble in Poland, was the reinstatement of Stalinist policies and of the Party First Secretary who had been demoted. How the Chinese peasants will react to the attentions of higher officials from the county towns and other centres remains to be seen, but they will almost certainly fear another bout of Commandism, despite the democratisation provided for in the new Directive. However, there are other concessions to the farmers which may also have a mollifying effect. For instance, they are now to be encouraged once again to buy, breed and own their own farm cattle and horses which will not be absorbed into the general property of the co-operative but will belong to the individual peasant. Indeed there seems to be a tendency to go back to "capitalist" incentives all along the line.

one, owing to the backward economy that had been "inherited."

Industrial Development: Investment this year in capital construction for timber industry will be 90.4% more than last year. Eight lumbering establishments will be built in Kiating and Changpai mountains, along the Tatu and Kinsha River valleys and in other areas. Fourteen new lumber areas will be explored this year. When put into operation, the eight lumbering enterprises will turn out over one million cubic metres of lumber next year and 2,400,000 cubic metres in subsequent years. A paper mill is now under construction in Paoing, capital of Hopei. The factory will be equipped with machinery from East Germany. Scheduled to go into operation in 1959, the mill will have an annual capacity of 7,600 tons of high-grade paper. Investment in capital construction in Shanghai's light industries will this year top by 27% the 1956 figure. More than 20 factories will be built, expanded or reconstructed including wrist watch, glass instrument, drug and medicine, paper and celluloid factories. In Canton, 148 factories will be built or expanded including a ramie mill (20,000 spindles), a sugar refinery (annual capacity 45,000 tons of sugar) and a number of paper, printing and dyeing, machine building, chemical and other factories. The Rubber industry announced that priority in production this year would be given to rubber tyres, conveyor belts, V-belts, rubber articles and accessories for industry, and latex products. 425 new articles will be put into production this year, including tubeless tyres, tractor and trailer tyres.

Cotton Textiles: Peking last month announced a cut in ration of cotton textiles. The value of cotton coupons for May-August period will be cut by half, but coupons for the period ended April will continue to be honoured at the full rate until August. This measure is necessary on account of cotton shortage resulted from last year's weather damage to crops, aggravated by a sharp increase in purchases. During the first 4 months this year Shanghai cotton mills imported 12,500 tons of cotton from Egypt, Syria and Pakistan. During the same period, Shanghai also imported from Yugoslavia 296,000 metres of piece-goods. According to Ministry of Textile Industry, 10 cotton mills with a total of 800,000 spindles and 20,000 looms are scheduled to go into operation this year. Altogether 40 medium and big cotton mills with a combined 1.62 million spindles and about 40,000 looms will be completed by December, 1957. In production, Peking continued to blow its own trumpet claiming that targets under the five-year plan were exceeded last year when 5.21 million bales of cotton yarn and 5,700 million metres of cloth were produced. This year, these targets have been set at 4.6 million bales and about 5,000 million metres respectively.

Agricultural Output: Referring to various state quotas for agricultural output announced early this year, Peking reported that only 9 items (grain, cotton, soya bean, groundnut, rape, tobacco, jute and hogs) would remain under the state quota system. Targets for each variety of grain, sugar, tea and other agricultural products will be worked out by cooperatives and coordinated by local governments. Peking explained, "by reducing the number of state quotas, peasants will be able to satisfy their needs for a wide variety of grains, animal foodstuffs and edible oil for their own use; this is expected to encourage initiative in production. . . ." New irrigation of 4½ million hectares of arable land and a switch over of 600,000 hectares from single crop paddies to double-cropping, are among the chief measures to achieve this year's total grain output of 210 million tons and a cotton crop of 1.6 million tons. Other measures to raise the yield include close planting and fertilizing.

Rare Metals: Titanium, vanadium and platinum ores of industrial value were discovered in association with magnetite deposits in Sinkiang last year. Deposits of gold, tung-

TAIWAN'S EXPORT POTENTIAL FOR TEXTILES

By S. Z. Yang

Taiwan has an abundance of skilled labour and a moist climate ideal for textile manufacturing purposes. It is therefore of no surprise that the growth of the textile manufacturing industries on this island after the end of World War II has been phenomenal. Starting from scratch in 1946, businessmen already experienced in the management and operation of textile plants, many of whom being refugees from the mainland, have built not less than fifty modern factories devoted to the manufacture of all kinds of textiles made of cotton, wool, silk, ramie, rayon, jute and even nylon and Dacron. The products available for export include all kinds of cotton goods in current demand in the Orient; all-wool tropical worsteds; pure ramie cloths, drapery and upholstery fabrics; exquisite silk brocades, satins and taffetas, and finished apparel-ware such as shirts, knitted sweaters, underwear and other garments.

The cotton spinning branch of Taiwan's textile industry alone boasts of 13 modern mills having a total spindlage of 230,000 as of Jan. 1957. Some of these spinning mills are equipped with the latest American machinery including Whitin Model "J" Combers and are turning out combed yarns up to 2-ply 80s; while others are fully integrated mills having their own automatic looms and dyeing and finishing departments.

The woollen and worsted branch comprises 7 large mills, two of which are completely equipped with the latest American System of worsted machinery, including Rotodrafters, Quik-set Roving and Superflex Spinning Frames capable of handling any fiber, natural or man-made or blends up to 9 inches in length. Few mills in the world outside of the United States are equipped with such up-to-date devices. It is no wonder that Taiwan's worsted mills have enjoyed a steadily growing export trade in worsted yarns, in competition with all the other textile-producing nations of the world.

Ramie is a native grown fiber. It is this fiber which made the "grass cloth" of old China so famous. Sheer and lustrous but strong, Taiwan's ramie cloths made ideal material for shirts, especially for use in tropical countries. Ramie cloth is also used as foundation fabric for embroidered, crocheted and drawn-work such as tea sets, bed spreads, table covers and window drapery. There are

4 ramie spinning and weaving mills in Free China. In addition, there is an establishment which utilizes ramie in the manufacture of hand-knotted Chinese carpets.

The first fully-equipped plant to manufacture viscose rayon in Taiwan will be in full production in the early part of this year. Though the domestic demand for rayon filament yarn is substantial, it is hoped that a part of the new rayon production will be available for export.

Free China invites export inquiries from old and new customers abroad, particularly from her neighboring countries in South East Asia. Quantitatively, Taiwan's export potential in textile goods is next only to Japan's; but qualitatively, Taiwan-made textiles are surpassed by none. The Chinese Government through the Central Trust of China, or the overseas branches of the Bank of China will be glad to put buyers in touch with textile manufacturers in Taiwan.

sten and tin were located in the Great Khingan Mountains in the Northeast. Iron ore deposits and certain non-ferrous and rare metallic ore deposits were discovered in Tsingling Mountain in Central China and Nanling Mountain in the South.

Communications: The Yingtian-Amoy Railway was completed early last month; the northern section was opened to traffic last June. In North-West China, surveying of a 800-kilometre railway connecting Chinghai and Sinkiang began recently. A railway line to connect Chinghai with Tibet will also be surveyed. Reports from Kunming claimed that over 2,300 passengers travelled by the Kunming-Rangoon airline since it was opened to traffic on April 11 last year. Among the passengers were 22 missions from 17 countries to China; 19 Chinese delegations went to Burma, India and Indonesia by this airline. According to the Ministry of Communications, Soviet freighters carried 240,000 tons of cargo between Shanghai and Dairen during the first four-and-a-half months this year. Soviet vessels were sent by Moscow at Peking's request.

REPORTS FROM TOKYO

General Economic Conditions: According to the latest report of the Economic Planning Board, balance of payments worsened in February, while an increased strain felt in the money market made financing more difficult, which is beginning to tell on the investment programs of enterprises. The industrial production index for January, including manufactures and mining, was 222 (1934-36 ave. = 100), or 22% above the level of a year ago. Yet, there is an indication that a further rise in production is being hampered by the bottle-necks growing so serious in such basic industries as electric power and coal. Consumption continues to be subdued, as is shown by only a 2.4% rise in January from a year ago in the city families' consumption level throughout the country. Under the circumstances, weekly wholesale prices in February declined 0.2% and remained relatively stable. Balance of payments ended in a deficit of \$63 million in February, mainly because of the sluggishness in the expansion of our exports at \$213 million for the month, while imports recorded postwar high of \$278 million.

Bank of Japan Official Rates Raised: At the extraordinary meeting of the Policy Board of the Bank of Japan on March 19, it was decided to raise the Bank's official rates uniformly by 0.1 sen per diem per ¥100, i.e. 0.37% p.a., and to mitigate the application of the graduated loan rates, both effective from the 20th. The new rate of discount of 2.1 sen p.d. per ¥100 (7.67% p.a.) is the highest in the past 30 years. The decision of the Policy Board follows:— (1) That the Bank's discount and loan rates are equally to be raised by 0.1 sen p.d. (0.37% p.a.), except that the interest rate on loans secured by current year's agricultural paper shall be unchanged at the present 2.1 sen (7.67%); (2) That in place of the present practice of accepting ordinary paper as security only from a specified bank as an exceptional case, prime bills may as a rule be accepted as eligible paper, hereafter; (3) That the present graduated rates application system is to be considerably eased by extending the limits for borrowing at official rates to 20% of the basic amounts, while at the same time doing away with the distinction of the first and the second higher rates, making it a single higher rate of 0.3 sen p.d. (1.09%) above the official.

Sound Money: Governor Yamagiwa of the Bank of Japan explained the aim and significance of easing the application of graduated rates and raising the official rates of the Bank. He made it clear (1) that, since the Bank's graduated rates application system has lost its essential significance owing to the big withdrawals of funds from the market to the Treasury, it was necessary to normalize the monetary situation by easing the application of higher loan rates; and (2) that the simultaneous raising of the official rates was aimed at calling for reflection on the part of commercial banks on their attitude of excessively expanding loan operations and giving them a chance of turning round. It will also serve as a manifestation of the Bank's will to uphold sound money and finance.

Foreign Exchange Budget: The Government decided on the foreign exchange budget for the first half-year (April-September) of fiscal 1957. It provides for \$2,236 million imports of merchandise and for \$407 million invisible trade payments, which total \$2,643 million. The budgeted merchandise imports are \$470 million greater than the actual result for the same period of fiscal 1956. What the scale of the budget for the whole fiscal 1957 should be was not fixed, as the outlook of international payments for the whole

year had not been decided yet. But, the Ministry of International Trade and Industry forecasts that the total budget for merchandise imports for the whole year would come to around \$4,200-4,300 million, compared with previous rough estimate of \$4,500 million considering the more recent state of import and a weakening tendency of freight charges.

Equipment Investments: Plant and equipment investments projected for fiscal 1957 by 1,127 industrial firms comprising electric power, iron and steel, and 14 other business groups, as compiled by the Ministry of International Trade and Industry, total ¥849,200 million. It indicates an increase of 32.9% over 1956.

Bank Loan Expansion: The actual banking results for business year 1956 of all banks of the country show an increase during the year of ¥820,300 million in real deposits as distinguished from total deposits, which is 45% more than the accomplishment made in the previous year. At the same time, however, loans and discounts expanded enormously to the extent of ¥1,043,600 million, or nearly threefold of the increase in 1955. Such an expansion in bank loans did not take place even in 1952, when in the business boom following the Korean war plant and equipment investments so mounted that banks increased their loans by ¥620,700 million in a single year. As a result, banks now find themselves not only quite loaned-up but "overloaned" after an interval of 3 years since 1953, and conspicuous was the increase in the borrowings from the Bank of Japan by big city banks during the past year. Total deposits outstanding at the end of the business year amounted to ¥4,971,400 million and loans and discounts to ¥4,302,000 million, the percentage of the latter against the former working out at 86.7% in comparison with 83.5% a year ago.

Credit Restraint: Governor Yamagiwa of the Bank of Japan said (1) that lately banks are inclined to go too far in their extension of loans, exceeding the bounds of new accumulation of funds, and that the Bank of Japan's policies are centered in the regulation of the volume of such loans; and (2) that there is above all a notable tendency for funds to flow to accommodation and financing of trading firms, and banks are advised to be discreet in their making selection of such firms. The Governor manifested a firm attitude of mind in restraining loans through the Bank's counter hereafter.

Balance of Payments for Fiscal 1956: According to the announcements made by the Bank of Japan and the Finance Ministry, foreign exchange account for the whole fiscal year 1956 resulted in receipts of \$3,336 million and payments of \$3,298 million, that is to say, a net surplus balance of only \$38 million. Not only is this surplus a decrease of no less than \$497 million from the previous year, but should the deferred payments be taken into account the real balance of payments would have shown \$182 million's deficit. A pronounced worsening of balance of payments is clearly discernible.

Growth of Foreign Trade: The foreign trade statistics for fiscal 1956 as given out by the Finance Ministry shows total exports rose to \$2,598 million, or 21.5% increase from the previous year's \$2,137 million, while imports reached \$3,603 million, a gain of 39.3% as compared with \$2,586 million in the same period a year ago. Both exports and imports thus recorded the postwar high, but the growth of imports far outstripping that of exports, the excess of import over export reached \$1,005 million, which is \$556 million greater than the previous year.

KOREA'S TRANSPORTATION

Transportation continued to make considerable progress in 1955 in rehabilitation. Progress was made particularly in the areas of better railroad service, construction of new rail lines, utilization of home-produced coal, improvement of harbor facilities, and expansion of the tourist service. With a view to broadening the knowledge of Government employees on the overall aspects of railway transportation as well as to give specialized training, in 1955 more than 500 employees were sent to a short-period training course, more than 40 were offered an opportunity to learn in technical colleges, and 15 were sent to foreign countries for technical training. In addition to the above, books and magazines were published to improve the employees' information. Taking consideration of the health problem of employees working in smoke and dust, general physical examinations were given. As a consequence, out of 10,700 employees who underwent the examination, 114 were found to need medical treatment. In addition, to prevent public epidemics, approximately 1,000 railway coaches were disinfected and 74,000 employees and their families received preventive injections.

Rail Transportation

During the war, freight trains were operated without regard to a time-table in order to meet military requirements; however, after the armistice with resultant decrease of military demand, military freight trains were reduced and the system was changed to transporting civilian freights. Since February 11, 1955, train schedules have been generally revised, with the exception of several U.S. military trains. In order to operate the railway in a normal way, 334 daily trains are now in operation.

Later, U.S. military trains were gradually reduced and the number of civilian passenger trains was increased. On June 21, 1955, upon termination of the Korean Communication Zone, UNC, and of the 3rd Transportation Railway Command, operational control of the entire railway was transferred to the Ministry of Transport. As a result of this change, exclusive U.S. Army trains were further reduced and 18 new trains were scheduled in order to support freight transportation for the Republic of Korea Army, aid projects, and civil requirements. A military express train was inaugurated between Seoul and Kwangju. Four more trains were added on the Chunchon line, and the train trackage was also increased through newly constructed extensions.

Starting October 1, 1955, the Government concentrated on completion of plans for winter transportation, the increase of transportation capacity and obtaining more income. This was one of the first measures taken after the transfer of railway control. Four hundred fifty-six trains were operated on the new schedule. From November, 1955, three of the four diesel locomotives obtained from the U.S. Army are in operation on the mountainous East Coast Line, mostly for passenger trains.

In 1955, the KNR concentrated on maintaining the proper operation of passenger traffic and movement of civil and foreign aid cargoes. In order to reduce the shortage of passenger equipment, 56 coaches were procured from the U.S. Army for passenger service and the repair of damaged cars was expedited. The total number of serviceable coaches was 975 (including 345 box cars converted to coaches). A total of 1,540 freight cars were procured with ICA (OEC) aid funds, and these were completely assembled in Korea. The total number of freight cars was 11,967.

Total number of passengers transported was 57,602,206 and tonnage of freight was 10,367,636 tons.

New rail line construction was implemented through the Economic Development Special Fund carried forward from the previous fiscal year. Construction was completed on the Mun Kyong Line (22.5 kilometers) between Chomchon and Unsong. Construction on the Yongam Line was completed up to the terminal station of Choram (86.4 kilometers), and was opened to traffic. Construction on the Yongwon Line between Songyong and Yongdong (7.6 kilometers) was completed. The remainder of the line from Yongwol to Hambak (22.3 kilometers) is being expedited. Construction on the Chungbuk Line between Chungju and Bongyang was started with 262,000,000 Hwan of counterpart funds, with a spur line to the new Chungju fertilizer plant; 5% of the construction was completed as of the end of 1955 and the line was completed April, 1956.

A total of 62 kilometers of rail has been replaced on the main line. On the Kyongbu line, Honam, Chola, Chinju, Kyongju, Kyongwon and Taegu lines, a total of 376,986 rail ties were replaced and 75,158 tons of ballast were used to reinforce the lines. Water facilities and other installations were repaired and maintained.

New machinery has been installed in the Seoul Backshop to concentrate on the repair of a planned amount of rolling stock on a monthly schedule. Through these efforts, 40 locomotives were repaired against a normal monthly production of 30 in the past, and repairs to other rolling stock were also considerably increased. In 1955, 1,540 freight cars procured through FOA (OEC) were assembled and put into service. Four dining cars were rebuilt to put on the special express trains.

Under the plan to substitute domestic for imported coal, to alleviate future coal problems, briquettes have been used. More than 20,000 tons of briquettes produced from anthracite coal were consumed in railway operation in the year 1955. This is 2.3 per cent of the total fuel requirement. Study is continuing in order to improve both the output and the quality of briquettes with a view to use them on the entire railway system.

Highways

As of the end of 1955, the total number of vehicles, excluding military vehicles, was 17,000—which is 1,000 more than that of the previous year. Their utilization is believed to be 15 per cent higher than that of the previous year; 109,698,623 passengers were carried and 2,324,909 tons of freight moved. A total of 26 buses were obtained through the American-Korean Foundation from Greyhound, Virginia Transit, and Monabilt Companies, and are now in service.

The number of streetcars in operation in 1955 amounted to 175, and their utilization record showed 142,532,001 passengers, a slight improvement over that of the previous year.

The number of streetcars in service is quite inadequate to meet the demand for this class of passenger travel. Service is not frequent enough and cars are greatly overcrowded. The situation should be slightly relieved in 1956 when 53 additional streetcars under the ICA program arrive from the U.S.

Maritime Transportation

The facilities of the principal harbors (with exception of the docks in Inchon harbor) were turned over to the

ROK Government by the UN Forces on June 25, 1955, after almost 5 years of management and operation by the UN Forces.

A total of 132 US Army surplus boats which had been used for loading and unloading cargo by the US Army was delivered to the ROK Government at a cost of \$157,663; and 92 folklifts, 34 tractors, 12 scoop cranes, and 57 trailers were received by ROK, at a cost of \$456,313. These boats and equipment are at present used at Pusan harbor.

The total quantity of export shipment of cargo was 1,857,572 tons and the total of arrivals was 5,750,138 tons during last year; 53% of the arrived goods were unloaded on barges and 20% of the export goods were loaded from barges.

Training classes for seamen were opened at Mokpo, Tongyung, Yosu and Mukho for the purpose of improving the seamen's techniques of navigation; as a result, 266 seamen were reeducated. At Pusan, the Pusan Seamen Training School opened new classes twice during last year and a total of 400 seamen are retrained.

The school building of the National Maritime Academy was completed after one year of construction. UNKRA donated \$350,000 and the government spent 148,116,905 Hwan for the construction.

The passenger boats' lines total 88 and the total number of boats engaged in this business is 143; these transported 4,602,300 passengers (with income of 472,095,-508 Hwan) and 90,092 tons of passengers' cargo (with income of 114,115,161 Hwan). The three lines, Pusan-Mokpo-Cheju, Pusan-Ulneung-Do (via Mukho) and Mokpo-Cheju are not considered suitable as regular lines because these lines are of long distance and volume of transportation is too small. However, from the point of view that it is important to connect each island of the coasts, the vessels of the Korea Shipping Corporation have been put on these lines. Civilian enterprises engaged in services on the Mokpo-Heuksan line, Mokpo-Cheju line and Pusan-Ulneungdo were granted a total amount of 900,000 Hwan as a government subsidy to facilitate operations.

In 1955, 490 meters of harbor protection in Mukho, Chunla and Pohang were completed, and 7 floating piers in Kunsan, Changhang, and Mokpo and one in Inchon have been repaired. A total of 1,997.5 meters of the inclined wharves and revetments also have been newly constructed or repaired.

A dredging program has been set up to dig out 974,070 cubic meters of soil and sands from the important ports

and harbors, including Inchon, Pusan, Mukho, Chungla, Kunsan, Mokpo, Yosu, Masan, and Pohang.

In order to achieve this program, 5 large-type dredging barges were placed in the ports of Inchon, Kunsan, Masan and Pusan and 8 small-type barges in Kunsan, Mokpo, Yosu, Masan, Pohang, Chunla, and Mukho ports. A total of 873,975 cubic meters of silt—equal to 90% of the planned quantity—has been removed.

The beacons which are especially needed for the protection of the Peace Line were installed with cooperation of the ROK Navy: 1. One beacon was installed at the peak of Tok-Do island, 126.9 meters above sea-level. 2. The beacon of Hong-Do island, situated on the southernmost point toward the Korean Strait, was reinstalled. 3. A beacon without keeper was installed at the Baeyang-Do Isle, situated in the cove of Hanlim port on the southern coast of the Cheju-Do Island, for the convenience of the fishermen of the island. 4. Other beacons were installed on the Tong-Do Isle, Noryang, and Wangdong, in order to secure the safety of Pusan-Yosu passenger boats. 5. Pursuant to the request of US Far East Command, the beacon of the Chibal-Do Isle in the vicinity of Mokpo port, which had been totally damaged during World War II, is under reconstruction.

Air Transportation

Regarding air transportation in 1955, the Korean National Airlines made regular flights between Seoul and Pusan and Kwangju, and as a transoceanic service, flights were made between Hongkong and Seoul once a week. In accordance with a Korea-China Temporary Treaty, the Civil Air Transportation Company of Free China extended its Hongkong and Tokyo line as far as Korea for three flights a week.

The Korean National Airlines in 1955 had 63 inbound international flights, which carried 826 passengers, 305,820 pounds of freight and 2,229 pounds of mail. There were also 65 outbound international flights carrying 958 passengers, 108,976 pounds of freight and 967 pounds of mail. KNA during the year carried nearly as much freight as did Northwest Airlines, which carried a total of 429,891.

Tourist Business

With the view to promote tourist business, the Bando Hotel (the only acceptable hotel in Korea) and the railroad hotels under the supervision of the Transportation Ministry were remodeled.

REPORTS FROM MANILA

There is a boom in construction all over Manila and Luzon. Houses for residences and business premises are rising in a steady stream. One of the largest buildings will be the new headoffice of the Bank of the Philippine Islands (Plaza Cervantes, Manila) which will be finished in June 1958. It will cost US\$1.8 million. Other banks, insurance companies, trust companies and commercial houses are competing with each other in the construction of new buildings. Government is also taking an active hand; great amounts of public money are being invested in new buildings. Churches, schools, hospitals etc. are also rising at an amazing pace. Many parts of Manila are being transformed. In the large neighbouring cities of Manila, Quezon City and Pasay, considerable new development is taking shape. From Malabon/Navotas in the north, to Marikina in the east, and

Paranaque in the south, a very active building boom has now been on for some time and promises to gain further momentum.

Lepanto Consolidated Mining Co. declared a 33-1/3% stock dividend. Lepanto in March produced 4,763 tons of concentrates, estimated to contain 2,425,360 pounds of copper and 3,630.0 ounces of gold (returnable gold at 3,512.0 ounces). The concentrates output contained an average of 25.46% copper and 0.762 ounce of gold per dry short ton. The company treated 34,531 tons of ore during the month. Average copper content to ore was 3.67%; average gold content of ore, 0.127% per ton. The production represented the result of 29 working days. Atlas Consolidated Mining and Development Corp. in March treated a total of 229,597 tons of ore which yielded an average of 0.72% copper. This

UNION OF BURMA AND U NU

Prime Minister U Nu

He was born May 25, 1907, at Wakema in the Myingmya District; educated at Myoma National High School, Rangoon, and University of Rangoon (B.A. and law). He has two sons (16 and 13), two daughters (24 and 10). His pre-war political activity includes: President, Rangoon University Students' Union, while studying law. (General Aung San was then Secretary of the Students' Union). Joined the Dohbama Asiayone (We Burmans Society), which played a central role in the independence movement. In 1936, led students' strike which led to reforms in Burma. Founded the Nagani (Red Dragon) Book Club and helped propagate doctrines of democracy and freedom. During the last war he was arrested and sentenced to two years imprisonment for political activities based on a demand for post-war self-government in return for co-operation with the British. Released in Mandalay after Japanese occupation. Reorganized Dohbama Asiayone. Became Foreign Minister, later Minister of Publicity and Propaganda, in government sponsored by Japanese. General Aung San, U Nu and their colleagues used their positions in this government to build a Burmese Army and a nationwide anti-Japanese guerilla organization. In 1944, contact was established with the Allied Command, and in March, 1945, the Burmese Army and all underground organizations began open resistance to the Japanese. Immediately following the war, all racial and nationality groups, political organizations and other elements joined to form the Anti-Fascist People's Freedom League (A.F.P.F.L.), which is the dominant political party. U Nu became first

output represented 26 days of milling operation, or an average of 8,830 tons per day. The ores treated produced 6,002 dry short tons of copper concentrates, averaging 22.49% copper, estimated to contain 2,699,607 pounds of copper and 750 ounces of gold, valued respectively at P1,600,258 and P75,000. A total of 7,783.6 dry short tons of copper concentrates containing 3,523,716 pounds of copper and 927.2 ounces of gold were shipped from Toledo during March. These shipments were valued at P2,088,718 for copper and P92,720 for gold. The company's iron mine at Mati shipped a total of 25,630 metric tons of iron ore, valued P434,428. Total value of shipments of both copper concentrates and iron was P2,615,866.

Samar Mining Co. in February milled a total of 6,121.79 dry short tons at its Masara mines project in Davao. Average heads on the ores were 0.225 ounces of gold; 2.25 ounces of silver; 0.49% copper; 1.01% lead; and 2.05% zinc. Concentrates produced during the month were estimated at 147.9 dry short tons of copper; 42.9 dry short tons of lead; and 156.2 dry short tons of zinc. These concentrates have an estimated marketable metal content of 39,473 pounds of copper; 41,316 pounds of lead; 140,834 pounds of zinc; 880.72 ounces of gold; and 7,928.62 ounces of silver. In addition, 254.07 ounces of silver in silver bars and 782.39 ounces in silver Matte were recovered from the cyanidation plant. The estimated value of the marketable metals recovered before smelter deductions and ocean freight is placed at P214,466.20.

Hixbar Mining Co. has been granted extensive oil exploration concessions by the Philippine Department of Agriculture and Natural Resources. The concessions, covering a total of 334,212 hectares (835,530 acres) are distributed in Cotabato, Occidental Mindoro, Cebu, and Mountain Province.

Vice-President of the A.F.P.F.L. under General Aung San. In 1947, when General Aung San became Deputy Chairman of the (British) Governor's Executive Council, U Nu was elected Speaker of the Constituent Assembly, which framed Burma's Constitution. When General Aung San was assassinated on July 19, 1947, U Nu assumed the nation's leadership, negotiated the Nu-Attlee Agreement fixing the final terms of freedom, and became Prime Minister when independence was proclaimed on Jan. 4, 1948. As leader of one of the "Colombo Powers" (Ceylon, Burma, India, Indonesia, Pakistan) U Nu helped in promoting a plan for the economic development of Southeast Asia, and in convening the Afro-Asian Conference at Bandung, Indonesia, in May, 1955.

U Nu is a devout Buddhist and a leading religious scholar. He has promoted a resurgence of religion in Burma and was one of the chief sponsors of the Sixth Great Buddhist Council and of the World Peace Pagoda. U Nu is an author and playwright. His literary work includes a study of "Burma Under the Japanese," various plays, and translations of Karl Marx's "Das Kapital" and of Dale Carnegie's "How to Win Friends and Influence People." His play, "The People Win Through," a dramatic account of Burma's fight against Communist insurrection and subversion, has been produced in America.

U Nu usually wears the Burmese national costume: an ingyi, which is a short-waisted, long-sleeved, high-necked, loose-fitting jacket; a longyi, or sarong, a long skirt-like garment; Burmese split-toed sandals; and a gaung baung, a white, close-fitting headdress with a flowing bow at the right.

Basic Facts about Burma

Area: 261,789 square miles. Southward extensions of the Himalayas separate Burma from her neighbors and divide the country into a series of broad river valleys, running north and south. There are 4000 miles of navigable rivers and canals, which form the chief means of inland transport. Principal river: the Irrawaddy. Principal Cities: Rangoon, capital and chief seaport, 737,079; Mandalay, cultural and commercial center, 185,867; Moulmein (102,777), Bassein (77,905), Akyab (42,329), seaports and commercial centers. Population: About 20,000,000, mostly rural. Religion: 86% Buddhist, 2% Christian, remainder mostly animist (chiefly remote hill people). Burma's Buddhism does not admit caste or class distinctions. The practice of religion is encouraged, freedom of worship guaranteed by the state.

Education: A unified school system has been established, with free education up to the university level. Nearly 50% of Burmese are literate, which is very high for Asia. English is taught as a compulsory second language. Health: Burma's health facilities were rudimentary before the war. Most of these were destroyed, leaving Burma with one of the world's lowest levels of health. Infant mortality: 300 per 1000; life expectancy at birth, about 20 years. Eradication of disease, construction of health facilities, and the training of health personnel have top priority in the Government's development program.

At various times in pre-colonial days, Burmese kingdoms extended well beyond the present borders. It was during one such period of expansion that the Burmese encountered the British in 1824, in the valley of the Bramaputra in India. The British conquest continued in three stages, and

in 1885 Burma was annexed to India. Uprisings that followed the annexation were crushed, but opposition continued underground. It burst into the open again in the 1920's, and in 1931 there was another armed uprising known as the "Saya San Rebellion." Demands for self-government persisted and reforms were introduced. But the reforms were not adequate to meet the political and economic situation of the times. Burma was therefore in a state of great unrest and agitation when World War II engulfed her.

Within three months after independence, the Communists began their insurrection, and they were joined by various pro-Communists and by a small proportion of the Karens, a leading minority. The insurgents soon had control of most of the country including part of Rangoon, the capital. The Government fought successfully back.

Government and Politics

The Burmese Constitution starts off with this preamble: "We, The People of Burma. . . . To maintain social order on the basis of the eternal principles of Justice, Liberty and Equality and to guarantee and secure to all citizens Justice, social, economic and political; Liberty of thought, expression, belief, faith, worship, vocation, association and action; Equality of status, of opportunity and before the law. . . . Do hereby adopt, enact and give to ourselves this Constitution." (Burmese women have equal rights—economic, social, political. They serve in Parliament, on the bench, in the professions on equal terms with men).

The Constitution establishes a system of checks and balances. The Union of Burma is a federation of states, each with its own legislature, which is responsible for all matters not delegated by the Constitution to the national government. Burma's courts are independent and non-political. The parliamentary system is modeled after the British. It comprises: 1. Parliament. Members of the Chamber of Deputies, like members of the House of Commons, are elected by popular vote (there are 250 seats). Adult suffrage is universal. Members of the Chamber of Nationalities (corresponding roughly to the British House of Lords or French Senate) represent racial or nationality groups. The Burmese, who comprise more than two-thirds of the population, have 53 seats in the upper house, the minorities 72. 2. The President, whose function is roughly equivalent to that of the French President, is elected by Parliament. 3. The Prime Minister, who is the head of Government, is the leader of the majority party. He is nominated by the President, confirmed by Parliament.

Politics: A.F.P.F.L. (Anti-Fascist People's Freedom League) is the dominant political organization, controlling about 80% of the seats in the Chamber of Deputies. It comprises: Socialists, viz: Non-Communist members of the P.V.O. (People's Volunteer Organization), a local militia formation organized in 1945-6. When the Communists tried to seize power in May, 1948, they induced some units of the P.V.O. to join them; the rest remained loyal). Trade Union Congress (Burma); Burma Peasants Association; Minority and Racial Groups; Independents.

The Opposition: Independents not affiliated with the A.F.P.F.L. P.V.O. (The group which joined the Communist insurrection). B.W.P.P. (Burma Workers and Peasants Party), extreme left-wing organization.

The Communist Party was outlawed by Act of Parliament in 1954. At the height of its political strength, in 1946, it captured five out of 250 seats in the Assembly of the provisional government. In 1948, before the Communist-led uprisings began, they were expelled from the A.F.P.F.L. at its national convention, where U Nu denounced them as disloyal subversives. (The Communists are divided into two principal groups: B.C.P. (Burma Communist Party,

"White Flag," or Stalinist) and C.P.B. (Communist Party, Burma, "Red Flag," or Trotskyist).

The Economy of Burma

Burma's Constitution calls for the establishment of a socialist state. At the same time, it recognizes the rights of private property and encourages private initiative. Major transport services and a number of industries are government-owned and operated. The rice trade is a government monopoly. But Burma welcomes foreign capital and management and has entered into partnership arrangements with a number of foreign firms.

Potentially, Burma can be one of Asia's most prosperous nations. She has more than enough arable land, large deposits of coal, oil and many minerals, great hydroelectric potential, vast reserves of timber. Several of her surplus commodities are in world demand; properly developed they can earn the foreign exchange needed for large-scale development.

Pre-war, Burma's economy was never fully developed. War caused extensive damage to the already inadequate economic and social facilities. For example 50% of the plant, equipment and rolling stock of the Burma Railways was destroyed. Post-war insurrection added to the damage and hampered efforts to reconstruct. Last year, for the first time, Burma did produce as much as before the war—but the population has increased by over two million.

U Nu set in motion a short-term reconstruction program immediately after independence. Simultaneously, he acquired the services of American engineering and economic consultants and sought aid from the U.S. through E.C.A. The U.S. paid for a two-year survey of Burma's resources conducted by the American consultants, and spent some \$15 million on technical assistance and construction projects. U.S. aid was terminated by U Nu in March, 1953, however, when he decided to appeal to the United Nations in order to gain the removal from Burma of 12,000 Chinese Nationalist troops.

The long-range plan, which is now being implemented by Burma without aid, calls for the building of a new economy capable of dynamic growth. At the same time, far-reaching programs were drawn up in the fields of health, education, housing, social security and other public services.

In general, the economic and social development plan sets the highest goals that are feasible for the next few years within the limitations of Burma's economic, financial and manpower resources.

Examples follow:—

Agriculture: A 77% increase in production over 1951-52 is the goal. Laws were passed to: 1. End landlordism by first nationalizing the land (with compensation to the owners), then redistributing it to farmers; 2. End usury through a system of government agricultural credit; 3. Stabilize prices through a government directed marketing system.

Large projects have been started to increase the acreage under cultivation, improve farming methods and develop new crops. Production has steadily increased, except in 1954 when Upper Burma suffered a severe drought.

Power: The plan calls for construction of four major hydro-electric projects to supply abundant cheap electricity for all of Burma. The first phase of the big Balu Chaung power and irrigation project will bring cheap power to most of the towns of Burma in 1957. Many communities already have been lighted for the first time.

Industry: The plan provides for the manufacture in Burma of everything that can be made economically, without the imposition of "protective" tariffs. It includes many

HONGKONG FOOD MANUFACTURING INDUSTRY

By Paul Chen

Hongkong food industry provides a large assortment of western foodstuff as well as various goods with the characteristic oriental flavour. The list of products of this industry includes canned foods, dried fruits, eggs, seeds, beans and peas, sugar, flour, soyabeans, noodles, preserved ginger, confectionery, dairy products, salt fish, meat and vegetables.

PRESERVED GINGER

About 120 years ago in Canton a Chinese hawker named Li Chy first conceived the idea of preserving ginger in syrup. His formula though simple opened up vast commercial possibilities for the ginger trade, and it was thanks to the enterprise of this Canton food hawker that it has since grown to its present importance. Li Chy, who had little financial means, started production with only a small plant. But orders poured in so fast that soon he was able to set up a larger factory called "Chy Loong". Among his first customers at that time was an Englishman who, about to return home, bought some preserved ginger which he gave away as presents. It is said that later Queen Victoria also received a present of the preserved ginger which she appre-

ciated so much that it was ordered to be served as dessert at official banquets.

In order to make his product widely known Li Chy subsequently changed the name of his factory to Chy Loong Ginger Factory. In 1845 Li Chy removed his Canton factory to Hongkong. Thus the beginning of the Preserved Ginger Industry in Hongkong was marked. The success of the Chy Loong Ginger Factory soon attracted other investors who thought that this industry was bound to be prosperous and they established factories. By 1915 there were eleven independent factories, but it was not until 1937 that a change took place which was to benefit both the producer and the consumer. With unusual foresight certain members of the trade formed a syndicate to encourage and protect the industry; the Hongkong Preserved Ginger Distributors Limited came into being to manage the affairs of all firms engaged in this business. The result was a great step forward, for with the combined resources now at its disposal, the syndicate was able to perfect new confections, improve packing, open up new markets and stabilize prices. Export figures in 1939 were as follows:

Countries	Quantity (casks)	Weight (lbs)
Europe	68,000	4,336,000
United States	8,000	691,000
Australia	67,000	750,400
Other countries	10,000	718,000
		6,495,400

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products, ranging from light steel to antibiotics and cigarettes. Several important projects have been completed, many are in the planning or construction stage.

Minerals: The plan calls for exploration and development of Burma's rich mineral deposits. Production of coal has already begun at one large project. Oil wells and refineries are to be rehabilitated and expanded by the British company which operated them before the war, under a 50-50 arrangement with the Government.

Transport: Tremendous progress has been made in rehabilitating and expanding the rail, highway, inland and ocean water transport systems, and the U.B.A. (Union of Burma Airways).

Health: The plan calls for construction of 401 hospitals with 18,318 beds by 1960. Many of these are already under construction, including a big, modern Union Medical Center in Rangoon. Work is being pressed on maternity and child health centres, 120 rural health centers, clinics, and the development of a school health service. The education of doctors and other health personnel has been speeded up. Vitamin pills have been distributed free by the Government, and a campaign launched to promote the eating of vitamin-rich unpolished, rather than polished, rice. The U.N. World Health Organization aided in development of the Government's health program.

Education: Since the war, Burma has expanded and improved Rangoon University and constructed hundreds of new schools throughout the country. There are now ten times as many schools as there were when the war ended, and the construction and teacher training programs are just getting into high gear. The government has sent several hundred students abroad since independence. At least half go to the United States and 228 were studying at various American universities in 1955.

After the Second World War rehabilitation progressed rapidly and in a year exports of ginger resumed. The first post-war shipment to the United Kingdom was made in 1947. In spite of exchange restrictions in various countries, the popularity of the product rose until the outbreak of the Korean War in 1951 when the introduction of the United Nations embargo meant that all ginger products were denied entry into the United States as China had been the source of supply of raw ginger.

Exports: 1952/55		
1952	2,200 tons	\$5,000,000
1953	3,100 tons	\$6,500,000
1954	3,000 tons	\$5,000,000
1955		

The United Kingdom and Holland are now the chief markets for Hongkong ginger.

There are eight ginger preserving factories in Hongkong. The total number of workers is about five hundred. The most important factory is the Amoy Canning Corporation.

Most of the raw ginger is imported from Kwangtung. It can be stored for years in large tanks filled with brine, after being peeled and cleaned. Heavy stones are spread on top to weight it down. Actually the preserved ginger is only 20% of the raw ginger. Ginger jarring was started by the Amoy Company a few years ago. The preserved ginger is jarred in beautiful jars from famous porcelain kilns in China.

SUGAR REFINING

Sugar refining is done by the Taikoo Sugar Refining Company Limited which was established in 1884, the equipment being supplied by Blake Barday and Company, Greenock, (Mr. Blake of that firm being the first engineer

and Dr. Horn the first Manager). It was rebuilt in 1926 and at the same time re-equipped with new machinery, thus making it the largest and most modern sugar refinery in the Far East. During the Second World War the refinery suffered great damage which necessitated considerable structural rehabilitation and also the ordering of new machinery from the United Kingdom. The new machinery began to arrive in 1950 and refining recommenced in September of 1950.

When production was resumed in 1950 the British Ministry of Food was responsible for the supply of sugar to nearby Colonial and Commonwealth areas and by arrangement with the Ministry of Food, the requirements of Hongkong, North Borneo, Sarawak and Malaya were supplied either partly or in full by the Taikoo Sugar Refinery. A small proportion of the output was reserved for development of the Company's pre-war export market. After a short time commercial trading was restored and the Company could re-build its former export trade, mainly in Malaya, India, Ceylon, North Borneo, Siam, Indochina, West Africa, South Africa, China, Iraq and Iran.

The Refinery is situated at King's Road, Quarry Bay, adjoining the premises of the Taikoo Dockyard and Engineering Company. The general and sales office is situated at 1, Connaught Road Central. The compound of the Refinery has an area of over half a million square feet. The plant consists of two six-storied concrete sugar refining buildings, a candy house, two four-storey reinforced concrete refined sugar godowns, a range of single storeyed raw sugar godowns, boiler house, power house, workshops, stores, factory offices and many other buildings essential to the process. Besides, the Refinery has its own reservoirs, dams and water filtration plant. The north end of the compound faces the harbour with a deep water berth where ocean ships discharge raw sugar or receive refined sugar, and there is also a small wharf for shipping off refined sugar by junks to ocean vessels. Hongkong does not produce any sugar beet or sugar cane, so the raw sugar for refining purposes has to be imported. Chief sources of supply are the British Commonwealth, Java, Cuba, Peru and Taiwan.

The Refinery is now equipped with the latest machinery in the way of melters, filters, vacuum pans, crystallizers, cube sugar plant and handling devices. The former Refinery utilized the carbon process for de-colourization, but advantage of the opportunity was taken to change over to char which gives an even purer and whiter sugar. Steam, which is essential in the process of sugar refining, is produced from boilers, supplied by Babcock and Wilcox Company, and this is also used for the Refinery's own generators for producing electric power. By arrangement with the Hongkong Electric Company, a standby supply of electricity is available for use in an emergency and also at weekends. The boilers are oil fired but provision has been made for a change over to coal, should the latter become more economical.

The Refinery produces high grade refined crystals granulated and soft sugars. It also specializes in the production of half cubes, icing castor and soft brown sugar and also golden syrup in fancy retail packing. Molasses is produced as a residual product for supply to local distilleries and for export.

Most of the refined sugar is now exported to Singapore, Malaya, Ceylon, North Borneo, Thailand and South Africa.

CANNED FOOD MANUFACTURE

Prior to the Second World War, canned goods from Hongkong used to be exported to all parts of the world. During the war this export ceased. However after the end

of the war the accumulated demand especially of the Chinese overseas, revived the industry which began to prosper again.

Among the several major canning factories in the Colony, the Amoy Canning Corporation is the most outstanding. Its factory is located at 53, Ngau Chi Wan, and sales offices at 51 Bonham Strand East; 166 Hennessy Road, Wanchai; 313 Nathan Road, Kowloon; 420 Prince Edward Road, Kowloon. Besides, there are six or seven other but small factories.

The Amoy Canning was the first company in China to preserve goods in cans made on the premises and it is the largest canning factory in Hongkong to-day. About thirty years ago, the Company came from Amoy to Hongkong and here built canning and soya sauce bottling plant. These have widened to include oil refinery, bean cake plant and the preserving of many other delicacies. Numerous kinds of food, from meat and fish to cucumber and lychees, are canned.

The raw materials used for canning are fish, meat, fruits, vegetables, poultry, soya bean and tin sheets. The tin sheets are imported from England, while other materials are either local products or imported from China.

The number of workers employed depends on the kind and amount of food being canned at the moment. There are about 500 workers which is the number employed when the factory is at its busiest—300 women and 200 men; of these skilled workers—mechanics, chemists and engineers, all of whom need outside training—are comparatively few. The rest is trained on machines and they know only one department.

The factory in Hongkong is only one of the four branches, three of which were at Amoy, Canton and Shanghai. But when the Communists took over China, these branches were closed down. But the owners were fairly optimistic about the industry and they had established a factory in Singapore and modernized some of the old equipment. In the oldest and largest part of the factory—canning and soya sauce production—the machinery came chiefly from America and some from Britain and Japan. Although first to can its own products, the Amoy Company has the most modern can-making equipment and turns out cans at the rate of 200 a minute. Food to be canned is sterilized in huge retorts under 18 pounds of pressure; some fruits and vegetables are pickled.

Newest of all, the oil refining was only put up in 1951. This machinery which operates as a series of belts and fills one long workroom, obtains oil from ground-nuts. Residues from ground-nut and soya bean are used in the fermentation process which makes soya sauce. The bean goes through a separator, a brushing and cleaning process, then through a crosser, dryer, cooker and under steam pressure and so the oil is produced. After fermentation in huge baths the substance which was bean-curd is left to season in jars which stand hundreds upon hundreds of them in yards. After that, when it becomes soya sauce, it is sent for bottling. The bottling plant alone cost \$200,000 and every year about half a million dollars go into running the factory.

Canned foods and soya sauces in general are sent to South East Asia. About 80% of the Amoy Company's lychees is exported to Britain.

FOOD MANUFACTURING INDUSTRY

The factories belonging to this branch of industry are scattered all over. The list of the more important food manufacturers, in addition to those mentioned in the preceding paragraphs, includes:

Name	Location
Ching Loong Bakery	Queen's Road East, Hongkong
Kapok Bakery and Confectionery Company	Hennessy Road, Hongkong
Lane Crawford (Bakery)	Stubbs Road, Hongkong
On Lok Yuen Company	Des Voeux Road, Hongkong
Commercial Cannery Company	Wing Lok Street West, Hongkong
Orient Soya and Canning Company	Connaught Road Central, Hongkong
Dairy Farm, Ice and Cold Storage Company	Windsor House, Hongkong
China Ginger Preserving Company	Lot No. 308, Kwai Chung, Tsun Wan, Kowloon
Choy Heung Ginger Factory	Nam Tau Street, Kowloon
Chy Loong Ginger Factory	Tong Mi Road, Kowloon
Tien Chu Ve-Tsin Chemical Industry Company	Pak Tai Street, Kowloon

The raw materials used, e.g. meat, fruits, vegetables, poultry, soya-beans etc., are mostly imported from China but contacts with other countries are also maintained. This can be seen from the following list:

Raw Material	Country of Origin
Eggs	China and Australia
Seeds	China
Beans and Peas	China, Vietnam, Burma
Sugar	Formosa, South America, British Commonwealth
Flour	Canada, Australia, U.S., Japan
Soya-Beans	China, U.S., Indonesia

The number of workers engaged in the food manufacturing industry is about 7,500. However, the majority of them, including both men and women, are chiefly unskilled or semi-skilled. Their wages are usually paid monthly. Although the wages vary according to the different branches of the industry, the average income of each worker per month is only \$90. Total wage-bill of this industry may thus be estimated at about \$6½ million per annum—a very small figure indeed.

There are several trade unions operating in the food manufacturing industry. Their membership, therefore, is not very large. For instance, the Preserved Ginger Workers' Union and the Hongkong and Kowloon Sauces and Preserved Fruit Workers' Union have each 81 and 220 mem-

bers, respectively. The Hongkong and Kowloon Confectionery and Cake Trade Workers' Union has 960 members.

Generally speaking, the factories are quite well equipped with modern machines, e.g. the Amoy Canning's machinery enables it to turn out cans at the rate of 200 a minute. The equipment includes machinery for fermentation processes, for the manufacture of soya sauce, and machinery for separating process for manufacturing oil from bean. Bottling is also done by mechanical methods. Besides the mechanized factories of canning, up-to-date equipment is also possessed by the sugar refinery. It comprises spacious warehouses, its own reservoirs, dams, water filtration plant, vacuum pans, crystallizers, cube sugar plant, etc.

Unlike the recent Hongkong industries, food manufacturing is mostly undertaken by local people, and consequently not so much influenced as for example the textile industry by the influx of northern industrialists. There is much competition among the manufacturers. The main form of ownership is either that of single proprietorship or partnership, although there are also numerous limited liability companies.

Most of the products of this industry are locally consumed. Canned goods however as well as preserved ginger and other foodstuffs are exported in bulk to foreign countries. Recently the local food industry has been hard hit by the dumping of Chinese products in the local and Far Eastern markets. This is a serious trend.

Out of the total number of local workers (about 120,000 persons) the number of workers engaged in food manufacturing in 1955 was about 7,500, or about 6.3%. Much remains to be improved in the industry especially in technical matters. The export of food with oriental flavour, e.g. preserved ginger, not only promotes the trade of the Colony but also serves to make Hongkong known to the world. But there are also many spurious and even harmful food products sold to the poorer classes. Buyers have to be careful when making their purchases as not all food manufacturers are reliable.

MINING IN HONGKONG

At the close of 1956 there were 23 mines in production:

1—Iron ore	} By underground methods
1—Lead ore	
2—Wolfram	
1—Graphite	
8—Kaolin clay	} By opencast methods
10—Quartz & Feldspar	

Production in 1956:

	Long tons	Value \$
Graphite	2,441.75	346,700
Iron ore	122,963.17	4,918,500
Kaolin clay	5,463.43	327,800
Lead ore	198.65	137,450
Quartz & Feldspar	3,004.92	75,120
Wolfram	24.23	295,820

Iron ore and kaolin clay are exported to Japan, lead ore to UK and Europe, and wolfram and graphite to UK and US. Kaolin clay is also used locally by rubber manufacturers. Quartz and feldspar are solely produced for local consumption, principally by glass-making, enamelware and ceramic industries.

Mining and prospecting is carried out only in the New Territories, viz: the mainland and the islands of Lantau, Chu Lu Kok, West Brother, Ma Wan and Tsing Yi.

IRON ORE—The transition from opencast to underground operation at Ma On Shan was completed last year. The Mutual Mining and Trading Company is operating this mine. After the installation of a dressing plant about 2 years ago with the help of Nittetsu Mining Company of Tokyo, the dressed ores improved to 60% ferrum iron. The company is now employing about 3,000 workers. The deposits are estimated at about 9 million tons. Present production is 16,000 tons per month; mostly exported to Japan.

KAOLIN CLAY AND FELDSPAR—Mining is done without help of heavy equipment. Production depends upon the number of workers employed which in turn depends upon the demand. Minimum export quality for each order is 30 tons. Two of the leading companies engaged in this mining are the China Mining Development Company and George McBain & Company. Deposits of feldspar are widely scattered throughout the New Territories. The main quartz (sand) deposits are along the seashore at Lau Fou Shan in Deep Bay and north of Castle Peak as well as on the East and West Brother Islands south of Castle Peak Bay; some are with a silica content of 90 to 95%. Of local mineral resources clays offer greatest scope for economic and indus-

HONGKONG NOTES AND REPORTS

Government Offices: Construction of the West Wing of Government Offices is now underway. This is the final stage of a project which started in 1952/53. The East Wing was completed towards end of 1953 and a short extension added to it in 1954. The Central Wing (new Colonial Secretariat) together with its connecting link and Council Chambers Annex were completed last year. The West Wing will extend to the junction of Queen's Road, Ice House Street and Battery Path as an L-shaped block, the shorter leg fronting on Ice House Street. The entire Central Government Offices will be completed early in 1959.

Kowloon Hospital Extension: Adjacent to the existing 'D' Block on the northwest side of the hospital, a new ward to be known as 'E' Block will be built to provide accommodation for 36 children and 24 private adult cases. Construction work will begin in May and should be completed in October. After the New Kowloon General Hospital is built in 1960, the present hospital, including this new block, will probably be used as a T.B. hospital.

Multi-Storey Car Park: In addition to the proposed 3-storey car park for 420 cars immediately in front of the new Star Ferry concourse, Government is planning to build another 3-storey public garage on the Central Reclamation. It will be at the southeast corner of the City Hall site and

will accommodate 205 cars. Cost of the second car park will be about \$850,000.

Resettlement Projects: The fourth and last block of Li Cheng Uk Estate was completed early this year. At Hung Hom Estate, site formation for the fourth and last block is nearing completion. Five blocks of Shek Kip Mei redevelopment project were completed during Jan./March; the sixth and last block is nearing completion. The first two blocks of Lo Fu Ngam Estate will be completed early in June. Population in various resettlement areas and estates on March 31 is listed below:

Temporary Cottage Areas		Tsun Wan	
Hongkong		Tai Wo Hau	3,643
Chai Wan	11,999	Total for Cottage Areas	73,704
Fu Tau Wat	1,423	Cottage Accommodation at	
Healthy Village	501	Shek Kip Mei	19,804
Soo Kun Poo	2,345	Multi-Storey Estates	
Mount Davis	1,838	Shek Kip Mei	36,958
Kowloon		Li Cheng Uk	40,285
Ngau Tau Kok	5,079	Tai Hang Tung	38,015
Chuk Yuen	8,089	Hung Hom	4,735
Tung Tau	5,757	Total for Multi-Storey	119,993
Shek Shan	549	Estates	
Homantin/King's Park	26,354	Grand Total:	213,501
Tai Hang Sai	2,655		
Lai Chi Kok	1,333		
Tai Woh Ping	1,539		

Housing Authority Projects: Construction of reinforced concrete frame for all blocks on North Point Estate has been completed and brickwork reached the ninth floor level. About 2,700 men are working on the site. Government will establish an 18-classroom primary school in the estate, operating in two sessions to accommodate over 1,600 children. Government also intends to construct a bus terminus on the central concourse and a vehicular ferry terminal facing it with a service to Hung Hom. At the Cadogan Street Estate work has been proceeding at a much reduced tempo due to difficulties arose on Cadogan Street frontage, where the earth was soft and waterlogged, making cutting dangerous. Site formation will be completed end of May. At the So Uk Estate, site formation commenced on February 15. The site to be reserved by Government for development by HK Housing Authority at Clearwater Bay Road totals about 21 acres. The engineering requirements are now being assessed by P.W.D. The Authority is now paying an interest averaging \$60,000 a month on loan from Government amounting to \$23.1 million.

Helicopters for HK: Government may buy 2 helicopters from UK for local use. Two years ago, the Department of Civil Aviation suggested to introduce helicopter services; the October riots last year proved that helicopters are useful. Maintenance will be by the Royal Air Force.

New Pier: Government will build a reinforced concrete pier at Kei Ling Ha Hoi in Tolo Channel, New Territories, with a frontage of 81 feet extending 162 feet seawards from high water mark. This is one of 4 piers to be built to improve communications in outlying areas of the N.T. The other 3 piers will be at Tap Mun at the entrance of Tolo Channel, Kat-O off Shataukok and Tung Chung on Lantau Island.

Preventive Service: Government seized 468.2 lbs of raw opium from various vessels in March. A find of 334 lbs on board s.s. Kirsten Maersk was the largest for nine months. During March, the drive against illegal imports of tobacco was intensified; among seizures were 2,066 lbs Chinese tobacco, 1,021 lbs cigarettes and 6.8 lbs cigars. Strategic commodities seized include 2 tons stainless steel plates, 14 tons boiler tubes and 15 tons zinc ingots. Gold bars seized

trial development. There are abundant reserves at Cha Kuo Ling, and Castle Peak.

GRAPHITE—A graphite mine on West Brother Island is operated by Tin Bo Mining Development Company (represented by HK South China Trading Corporation). The ore shows a fixed carbon content of 80/89%.

WOLFRAM—Wolfram (65%) is found at Lien Fa Shan; exploitation is entirely by hand. Production reaches no more than 20 tons per month. Export demand is not encouraging.

LEAD—Lead was the first mineral to be mined here on an economic scale. The lead mine at Silver Mine Bay and the Lin Ma Hang Mine have deposits which contain silver. The Lin Ma Hang mine until 1941 was the largest and most up-to-date. During years 1936-1939 annual production was 3,000 tons of lead concentrate but in 1956, was only 198 tons.

Prospecting continues for beryl, graphite, wolfram and the ores of iron, lead and zinc. Beryl attracted much publicity in 1955 when Corporal William Harries staked a claim on beryl deposits he discovered in the New Territories and which was estimated to be worth several millions. The Far Eastern Prospecting and Development Corporation (Chairman—G. E. Marden) holds the only prospecting licence for beryl so far issued by HK Commissioner of Mines. The price of beryl was about US\$400 per ton. The Corporation is still prospecting deposits near Devil's Peak; no large mine has started.

"Hongkong with 396 square miles shows no sign of containing any major economic mineral deposits. The highest annual production of iron ore in HK has never yet reached 200,000 tons and the total reserves in a Colony of this kind could never form more than a fraction of the annual output of any one large iron field elsewhere in the world. The position is similar for the other minerals and mineral reserves in the Colony." (B. P. Ruxton in the Far Eastern Economic Review, February 17, 1955).

HONGKONG COMPANY MEETINGS

DAIRY FARM CO. LTD.

At the annual meeting of Dairy Farm, Ice and Cold Storage Co. Ltd., Chairman S. N. Chau stated: After a slow start there was a marked improvement in sales during second half year and trading results last year were higher than in 1955. Competition continued keen and coupled with increased operating costs, resulted in lower profit in certain departments notably retail shop trade and restaurants. The long hot summer in 1956 created a good demand for milk and ice-cream products as well as for ice. Catering Section was extended to serve the increased air traffic; quick-frozen meals were supplied for service aboard aircraft. The lease of the Gloucester Lounge expires on June 30 next; negotiations are now proceeding for the renewal. Two Self-Service shops opened in late 1955 have been well supported; this type of operation will be continued. In connection with meat business local demand showed considerable improvement owing to the reduced numbers of live cattle and pigs imported during second half year. Our local sales of frozen meat consequently improved and it is advantageous to maintain this business. During December Government announced its intention to abandon the import quota control of frozen meat on June 30 next. Throughout the year our cold stores were well filled and revenue from this source was higher than previous year's figures. Advancing costs compelled us to increase rates for certain types of cold storage as from March 1, 1957. Wholesale and retail prices of ice were also marked up.

Interior alterations to the main dairy and ice cream factory at East Point have virtually been completed. The plant on the milk side will be wholly automatic and will have a capacity of 800 gallons per hour. Some progress has been made regarding the proposal to develop our Aberdeen property. As a first stage we have purchased Aberdeen Permanent Pier No. 1, which adjoins our property, on long lease from Government. Further development plans are now under consideration by your Board. Certain build-

during the month totalled 32.25 lbs. Illicit exports and imports are on a very large scale.

Imports of Rice, Frozen Meat and Coal: March rice imports totalled 40,982 tons (total for Jan./Mar., 97,755 tons); 28,600 tons from Thailand, 7,748 from China, 3,032 South Vietnam and Cambodia, 1,113 North Vietnam and 489 tons from Burma. Local sales in March totalled 27,718 tons. Frozen meat imports totalled 978 tons; offtakes 1,009 tons. 14,066 tons of coal were imported (Jan./Mar. total, 43,633 tons); 11,888 tons from China, 1,883 from Japan and 295 from North Vietnam.

Aviation: In view of the increased traffic between HK and Manila, Hongkong Airways introduced an extra HK-Manila-HK flight every Friday. HKA now operates 3 two-way flights between HK and the Philippines on Wednesdays, Fridays and Sundays. Northwest Orient Airlines inaugurated on April 28, an Orient service with Douglas DC-7C aircraft. Flight time of this "Imperial" service between Seattle and Tokyo is about 18 hours, 3 hours less than previous scheduled time. Tokyo-Seattle flights take about 16 hours 20 minutes. By end of summer, NWA will operate its trans-Pacific service exclusively with DC-7Cs. Cathay Pacific Airways recently started 20-minute flights around HK on every Sunday and public holiday. The fare is \$20, light refreshments provided.

Shipping: 1,300 vessels entered HK during first three months 1957. 184,268 passengers entered HK by these vessels compared with 170,543 departed. Cargo discharged totalled 958,239 tons; cargo loaded, 419,559 tons.

ings at our East Point Installation are beginning to show signs of structural deterioration; they are now close to 40 years old. The short and long term implications are now being studied. There may be a need to make extensive repairs or to embark on a rebuilding programme. Whichever alternative has to be faced expenditure will be spread over a number of years if possible. Owing to the Suez crisis there was some delay in the arrival of steel for the Manson House project. It is hoped that we shall be able to occupy our section of the premises by Autumn this year. The multi-storied block of labouring staff quarters was completed towards end 1956 and is now occupied by 84 families.

Working profit for the year, \$4,987,363, was \$110,000 lower and net profit, at \$4,049,950, \$155,000 less than 1955. In 1955, however, working and profit and loss accounts received benefit of credits of a non-recurring nature, and aggregate charge for depreciation to profit and loss account was higher in 1956 owing to additions to capital assets during the year. A final dividend of \$1.10 per share will be paid in addition to interim dividend of 52½ cents per share declared on October 19 last. Profit and loss account includes \$119,566 bonus to staff. After applying other appropriations general reserve will stand at \$6,500,000. Bad debts written off amounted to \$3,682 and the reserve for bad debts, unchanged at \$75,000.

CHINA PROVIDENT CO. LTD.

Major S. M. Churn, Chairman of China Provident Loan and Mortgage Co. Ltd., said in his annual report: During 1956 our godowns worked to near capacity both with storage and trans-shipment cargo. Storage cargo showed a 2% decrease, while trans-shipment cargo tonnage increased 30%. Unfortunately, at the rates prevailing during 1956 the increase in trans-shipment tonnage did not reflect in operational profit. This rate, which was fixed in 1947, has, as from January 1 this year, been increased to a figure which, while lower than normal tariff rates, will show a profit commensurate with the work involved. During the year we redeveloped No. 53 Godown site with a modern reinforced concrete structure of five floors. This building will produce revenue this year. Due to cash requirements for capital expenditure the Sandakan subsidiary was unable to make any distribution; thus our account has been depleted by some \$50,000. We acquired, in exchange for the Company's shares, a further 5,500 North Point Wharves shares, bringing our holding up to 98.05% of the subsidiary's issued capital. The year 1956 was nearly claim-free; several unavoidable small accidents cost in aggregate \$1,083. Storage rates were well maintained and turnover good. Gold storage did not improve. Truck section increased its revenue and was more profitable.

The balance brought forward from previous year was \$1,121,796, to which was added profit for 1956, \$1,512,622, and proceeds of scrap sale, \$5,382, making the amount available for appropriation \$2,639,800. A dividend of \$1 per share will be paid. Market value of shares of subsidiaries, as compared with 1955, showed a depreciation of \$535,000, which has been made good from fluctuation reserve. Deducting the remaining balance of this reserve \$2,181,705, from the market value of the shares, gives a net book value of \$3.03 for Sandakan Light shares and \$4.546 for North Point Wharves shares, both well below market values.

HK AND KOWLOON WHARF CO. LTD.

At the annual meeting of Hongkong and Kowloon Wharf and Godown Co. Ltd., Mr. H. D. M. Barton, Chairman, said inter alia: During 1956 there was an increase in number of vessels entering Hongkong and an increase of just over 10% in the cargo handled. Number of ships handled by us in-

creased by 14%; figures for the past two years were 1,137 in 1955 and 1,299 in 1956. An encouraging feature was the increased proportion of cargo handled at our wharves; the total tonnage for 1956 was 25% higher than 1955. Our lighter fleet was fully occupied and the revenue from this business showed an increase. Storage Department, too, reported higher income.

Six new lighters were constructed and a similar number of old craft disposed, realizing a satisfactory profit. In view of the improved financial position the company will give consideration to some development projects which had been deferred during the past few years. The cost of maintaining and developing godowns and wharves is such today that the return on an investment cannot compare with the returns in other lines of property development; nevertheless it is our responsibility to provide first-class storage facilities for this Port. We have done so for the past seventy-one years and we should continue to do so in the years to come, subject only to the limits of our financial resources. The net profit for the year ended December 31, 1956 was \$1,492,484. With \$616,394 brought forward from 1955, a sum of \$2,108,878 was available for distribution. An increased dividend of \$6 per share was approved.

CALDBECK, MACGREGOR & CO. LTD.

At the annual meeting, Mr. J. F. Macgregor (Chairman) reported a trading profit of £118,666/15/4d and stated: Business has been consistently good everywhere except in East Africa. We reorganised the Branch of Subsidiary Company, Messrs Jardin Ltd., at Dar-es-Salaam to bring operating costs more into line with market potentiality. This Branch has shown a small profit. Messrs Jardin Ltd., at their Head Office in Nairobi, were able to show a profit of £1,804/16/1d. This sum has been carried forward in Messrs Jardin Ltd. books. Accounts of Crystal Springs Mineral Water Co., our Subsidiary in East Africa, for the year ended December 31, 1956 are not yet in our hands but we are informed that a further loss has been sustained. Directors are going very carefully into East African business with a view to reduce commitments. A provision of £20,000 has been made as a Reserve against our Subsidiary Com-

pany. I propose to go to East Africa next month to implement the policy of the Board. The loss for 1956 will be carried forward in the books of the Crystal Springs Mineral Water Co.

Business in the Far East during 1956 was very good. Business in Java for the 12 months ended December 31, 1956 showed a profit of Rps. 33,209.65. The Profit and Loss Appropriation Account in Djakarta accordingly stands at Rps. 53,956.95. Unfortunately, however, this money is still "frozen".

Transfer fees and dividends on investments have been added to the profit of £118,666/15/4d making a total of £122,442/4/7d. The amount transferred to profit and loss appropriation account was £97,945/5/10d. as compared with £65,455/10/8d in 1955. The balance of profit and loss appropriation account, including the sum of £18,980/17/10d. brought forward from the previous year, amounts to £116,926/3/8d. Directors' recommendations include a dividend of 3s. per share, plus a bonus of 1s. per share. Directors also proposed that General Reserve shall be increased by £25,000 to £225,000; £30,863/7/2d. will be carried forward to this year.

HONGKONG ENGINEERING & CONSTRUCTION CO. LTD.

Chairman L. Kadoorie said at the annual general meeting: The net profit for 1956 amounting to \$1,816,727 plus \$52,273 brought forward from 1955 makes a total of \$1,869,000 for following appropriations: general reserve, \$1,012,000; interim dividend of 10 cents per share, paid on August 28, 1956, \$200,000; final dividend of 10 cents per share, \$200,000; bonus of 20 cents per share, \$400,000; balance of \$57,000 to be carried forward to 1957. Total sum standing in general reserve amounts to \$2,750,000. We are continuing the development of its Estate at Kadoorie Avenue. St. George's Court (comprising three blocks of Apartments totalling 21 flats and our Estate Office) was completed in August and fully occupied by September last. Our Franki Piling Department is doing well. In 1956, over 7,100 piles were driven, and prospects for this year remain good.

HONGKONG STATISTICAL REPORTS

Jan.—Mar., 1957

Vital Statistics—Birth: Jan. 8,018; Feb. 7,296; Mar. 7,255. Death: Jan. 1,504; Feb. 1,931; Mar. 1,694.

General Retail Price Index—(March 1947: 100)—Jan. 120; Feb. 122; Mar. 120.

Hongkong Clearing House Figures—Jan. \$4,655,855,977; Feb. \$1,165,041,175; Mar. \$1,402,722,007.

Banknotes in Circulation—Jan.: \$748,031,200. (HK Bank 691,742,000; Chartered Bank 52,065,000; Mercantile Bank 4,224,200). Feb.: \$747,014,870 (691,742,000; 51,078,670; 4,194,200). Mar.: \$749,480,135 (691,742,000; 53,607,135; 4,131,000).

Production of Electricity and Gas (Jan.-Mar. Total)—Electricity, 170,993,428 kw hrs; Gas, 184,827,900 cubic feet.

Food Supply (Jan.-Mar. Total)—Animals Slaughtered, 180,865 head; Fish Marketed, 10,750 tons; Vegetables Marketed, 23,457 tons.

Mining Production (Jan.-Mar. Total)—Feldspar, 74 tons; Graphite, 710 tons; Iron Ore, 26,866 tons; Kaolin, 1,776 tons; Lead Ore, 41 tons; Quartz, 892 tons; Wolfram Ore, 11 tons.

Cement Production (Jan.-Mar. Total)—27,986 metric tons.

Registration of Factories (Jan.-Mar. Total)—Applications Received, 105; Cancelled and (Refused), 45 (1); Certificates Issued, 62.

Building Construction (Jan.-Mar. Total)—Number of Buildings, 295 (HK, 95; Kln, 200). Building Cost, \$34,853,064 (HK, 15,056,564; Kln, 19,796,500). Cost of Site Work, \$1,369,050 (HK, 346,055; Kln, 1,022,995).

Kowloon-Canton Railway, British Section (Jan.-Mar. Total)—Passengers: Upward, 715,140; Downward, 697,496; Concession Tickets, 36,032. Freight: Upward, 5,662,950 kilos; Downward, 47,529,520 kilos.

Number of Vehicles and Drivers Licensed in Jan.-Mar. Period and (Total on March 31)—Vehicles: Motor Cycles, 102 (1,656); Private Cars, 1,038 (20,256); Taxis, 38 (627); Motor Buses, 15 (643); Public Lorries, 52 (1,394); Private Lorries, 135 (2,096); Construction Site Lorries, 47 (426); Government Vehicles, 48 (1,052); Private Rickshaws, 20 (20); Public Rickshaws, 0 (853); Sedan Chairs, 6 (6); Tricycles, 2 (793); Trailers, 0 (8); Trams, 0 (138). Drivers: Motor Car Drivers, 3,285 (65,107); Construction Site Drivers, 86 (515); Driving Instructors, 79 (566); Rickshaw & Tricycle Drivers, 3,035 (3,035).

HONGKONG SHIPPING IN MARCH, 1957

	Vessels				Cargo	
	Entered		Cleared		Arrived	Departed
	No.	Ton	No.	Ton	(ton)	(ton)
British	249	421,724	254	426,663	137,932	38,010
American	22	117,841	22	117,841	13,290	8,329
Chinese	18	4,913	20	5,446	6,636	3,607
Danish	19	68,790	20	66,346	17,815	8,800
Dutch	17	81,496	18	86,280	29,389	10,958
French	4	14,052	4	14,052	2,191	1,550
German	5	24,308	5	24,308	7,737	3,350
Indian	1	3,390	1	3,390	14	300
Italian	2	9,539	2	9,539	2,704	490
Japanese	33	92,681	32	92,475	10,466	17,360
Korean	6	10,838	6	10,838	8,269	1,950
Liberian	3	6,368	3	6,368	1,542	1,350
Norwegian	34	94,957	34	97,117	50,272	18,675
Panamanian	15	27,478	17	29,503	34,397	6,206
Philippine	2	4,459	2	4,459	—	152
Polish	1	2,886	—	—	—	—
Swedish	6	17,329	6	17,329	4,566	1,735
Thailand	1	1,672	1	1,672	610	750
Yugoslavian	1	3,385	2	7,122	3,727	—
Total	440	1,008,106	449	1,020,748	331,557	123,572

HONGKONG AIR TRAFFIC IN MARCH, 1957

Regions	Departure			Arrival		
	Passenger	Freight (Kilos)	Mail (Kilos)	Passenger	Freight (Kilos)	Mail (Kilos)
Australia	167	2,752	—	119	1,757	38
Bangkok	1,361	19,479	5,284	1,340	10,536	3,561
Borneo	108	2,386	107	86	294	363
Burma	121	8,024	300	124	117	431
Cambodia	—	—	—	—	—	36
Canada	186	1,472	495	38	830	324
Europe	372	13,640	161	56	4,986	1,009
Formosa	707	33,827	1,910	783	3,131	477
Guam	9	3,686	27	5	97	21
Honolulu	113	120	101	56	188	83
India	239	8,078	2,289	316	3,983	1,410
Indonesia	3	—	—	1	—	—
Japan	2,054	6,778	4,898	1,569	14,905	3,465
Laos	71	30,735	73	43	92	33
Macau	1	6,154	—	1	—	—
Malaya	—	—	—	—	—	—
Middle East	84	807	34	84	316	86
New Zealand	—	—	—	—	—	—
Okinawa	104	8,644	77	98	643	—
Pakistan	55	4,958	175	45	319	259
Philippines	1,592	9,407	2,134	2,093	2,947	1,029
Singapore	518	15,820	14,705	612	3,595	2,398
South America	24	1,696	7	14	17	26
South Korea	298	2,987	599	367	295	319
United Kingdom	182	14,748	551	88	16,714	—
United States	154	4,845	4,297	62	6,873	3,119
Vietnam	380	9,835	55	421	5,474	40
Wake Island	—	129	—	—	194	58
Total	8,903	211,007	38,279	8,431	78,304	18,585
Direct Transit	798	17,779	—	798	17,779	—

Total Aircraft Departures = 342.

Total Aircraft Arrivals = 343.

HONGKONG'S TRADING PARTNERS IN 1956

PART IV

JAPAN				Imports	Exports
		Imports	Exports	H.K.\$	H.K.\$
		H.K.\$	H.K.\$		
Live animals, chiefly for food	3,700	—			
Meat and meat preparations	150,881	4,151			
Dairy products, eggs and honey	93,899	2,067			
Fish and fish preparations	17,123,348	144,702			
Cereals and cereal preparations	474,219	27,974,155			
Fruits and vegetables	14,114,641	11,023,080			
Sugar and sugar preparations	4,136,956	1,948,855			
Coffee, tea, cocoa, spices and manufactures	40,664	315,355			
Feeding stuffs for animals (not including unmilled cereals)	217,518	—			
Miscellaneous food preparations	13,812,712	440,195			
Beverages	680,644	528,955			
Tobacco and tobacco manufactures	53,459	47,390			
Hides, skins and fur skins, un- dressed	10,500	8,514,555			
Oil-seeds, oil nuts and oil kernels	—	31,332,123			
Crude rubber, including synthetic and reclaimed	160,498	1,728			
Wood, lumber and cork	36,022	7,600			
Textile fibres and waste	7,041,068	77,231,712			
Crude fertilizers and crude minerals, excluding coal, petro- leum and precious stones	796,135	1,635,008			
Metalliferous ores and metal scrap	—	64,560,011			
Animal & vegetable crude mate- rials, inedible	3,031,896	23,436,016			
Mineral fuels, lubricants and related materials	5,383,047	24,490,614			
Animal and vegetable oils (not essential oils), fats, greases and derivatives	4,605,583	11,489,248			
Chemical elements and compounds	6,449,065	404,153			
Mineral tar and crude chemicals from coal, petroleum and natural gas	1,000,991	—			
Dyeing, tanning and colouring materials	3,828,826	8,362,395			
Medicinal and pharmaceutical pro- ducts	2,358,049	59,625			
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	655,073	1,257,702			
Fertilizers, manufactured	454,275	—			
Explosives and miscellaneous chemical materials and pro- ducts	1,658,541	74,692			
Leather, leather manufactures, n.e.s., & dressed furs	213,040	—			
Rubber manufactures, n.e.s.	10,103,373	—			
Wood and cork manufactures (ex- cluding furniture)	2,374,928	1,202			
Paper, paperboard and manufac- tures	26,686,051	29,310			
Textile yarn, fabrics, made-up articles and related products	451,347,147	1,315,299			
Non-metallic mineral manufac- tures, n.e.s.	41,133,379	7,293			
Silver, platinum, gems and jewel- lery	1,755,315	74,941			
Base metals	83,583,556	16,577,354			
Manufactures of metals	8,397,955	53,943			
Machinery other than electric	33,423,136	283,962			
Electric machinery, apparatus and appliances	8,379,396	68,762			
Transport equipment	10,179,362	359,559			
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	3,937,032	176,470			
Furniture and fixtures	246,988	723,997			
Travel goods, handbags and similar articles	289,193	263,992			
Clothing	7,292,611	1,669,004			
Footwear	377,311	58,044			
Scientific instruments; photo- graphic & optical goods; watches & clocks	8,614,632	248,946			
Miscellaneous manufactured arti- cles	23,882,093	659,496			
Live animals, not for food	14,080	106,409			
TOTAL MERCHANDISE	810,602,788	317,964,070			
Gold and Silver	100,700	—			
GRAND TOTAL	810,703,488	317,964,070			

KOREA, SOUTH				Imports	Exports
		Imports	Exports	H.K.\$	H.K.\$
		H.K.\$	H.K.\$		
Meat and meat preparations	—	2,091			
Dairy products, eggs and honey	—	522,763			
Fish and fish preparations	442,899	1,985			
Cereals and cereal preparations	—	1,528,922			
Fruits and vegetables	4,352,637	115,839			
Sugar and sugar preparations	—	1,861,281			
Coffee, tea, cocoa, spices and manufactures	—	682,757			
Feeding stuffs for animals (not including unmilled cereals)	—	72,813			
Miscellaneous food preparations	—	431,956			
Beverages	—	482,046			
Hides, skins and fur skins, un- dressed	96,768	5,352			
Oil-seeds, oil nuts and oil kernels	—	30,200			
Crude rubber, including synthetic and reclaimed	—	110,201			
Textile fibres and waste	—	1,951,157			
Crude fertilizers and crude minerals, excluding coal, petro- leum and precious stones	23,895	—			
Animal & vegetable crude mate- rials, inedible	6,925,925	2,549,718			
Mineral fuels, lubricants and related materials	—	8,847			
Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	235,491			
Chemical elements and compounds	—	3,008,356			
Dyeing, tanning and colouring materials	90,916	6,103,049			
Medicinal and pharmaceutical pro- ducts	—	2,704,935			
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	177,426			
Fertilizers, manufactured	—	532,670			
Explosives and miscellaneous chemical materials and pro- ducts	—	1,576,712			
Leather, leather manufactures, n.e.s., & dressed furs	—	36,217			
Rubber manufactures, n.e.s.	—	17,808			

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Wood and cork manufactures (excluding furniture)	—	49,720	Medicinal and pharmaceutical products	3,326,096	5,531,701
Paper, paperboard and manufactures	—	21,141,541	Essential oils and perfume materials; toilet, polishing and cleansing preparations	110,119	2,037,812
Textile yarn, fabrics, made-up articles and related products	9,895	62,004,496	Fertilizers, manufactured	—	15,694
Non-metallic mineral manufactures, n.e.s.	—	1,472,442	Explosives and miscellaneous chemical materials and products	10,629,500	108,604
Silver, platinum, gems and jewelry	181,434	424,454	Leather, leather manufactures, n.e.s., & dressed furs	70,709	320,143
Base metals	—	3,771,204	Rubber manufactures, n.e.s.	99,370	187,337
Manufactures of metals	—	276,869	Wood and cork manufactures (excluding furniture)	126,328	146,325
Machinery other than electric	—	4,728,340	Paper, paperboard and manufactures	341,314	1,543,628
Electric machinery, apparatus and appliances	—	750,468	Textile yarn, fabrics, made-up articles and related products	533,238	4,146,476
Transport equipment	—	1,599,943	Non-metallic mineral manufactures, n.e.s.	253,302	747,861
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	695,696	Silver, platinum, gems and jewelry	—	1,300
Furniture and fixtures	—	70,188	Base metals	612,232	1,042,207
Travel goods, handbags and similar articles	—	2,115	Manufactures of metals	683,496	695,333
Clothing	—	545,177	Machinery other than electric	399,870	485,540
Footwear	—	3,233	Electric machinery, apparatus and appliances	156,265	782,351
Scientific instruments; photographic & optical goods; watches & clocks	28,000	1,588,092	Transport equipment	261,812	1,144,918
Miscellaneous manufactured articles	—	1,307,590	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	12,350	100,242
TOTAL	12,152,369	125,182,160	Furniture and fixtures	20,681	93,390

MACAO

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Live animals, chiefly for food	1,149,006	501,810	Scientific instruments; photographic & optical goods; watches & clocks	138,609	547,151
Meat and meat preparations	1,415,383	530,657	Miscellaneous manufactured articles	3,899,251	1,571,479
Dairy products, eggs and honey	1,030,552	1,947,944	TOTAL MERCHANDISE	40,158,754	57,706,599
Fish and fish preparations	4,561,661	475,736	Gold and Silver	191,588	506,514,025
Cereals and cereal preparations	357,579	5,903,442	GRAND TOTAL	40,350,342	564,220,624
Fruits and vegetables	2,557,382	4,008,567			
Sugar and sugar preparations	7,184	1,702,776			
Coffee, tea, cocoa, spices and manufactures	232,305	890,983			
Feeding stuffs for animals (not including unmilled cereals)	39,003	318,725			
Miscellaneous food preparations	298,647	1,054,094			
Beverages	2,568,085	2,732,168			
Tobacco and tobacco manufactures	1,205,624	4,166,136			
Hides, skins and fur skins, undressed	11,944	68,085			
Oil-seeds, oil nuts and oil kernels	12,145	361,733			
Crude rubber, including synthetic and reclaimed	5,940	43,961			
Wood, lumber and cork	7,610	1,763,027			
Pulp and waste paper	2,267	230,489			
Textile fibres and waste	35,555	245,247			
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	20,834	8,828			
Metalliferous ores and metal scrap	724,891	21,145			
Animal & vegetable crude materials, inedible	666,309	1,581,957			
Mineral fuels, lubricants and related materials	40,654	3,260,959			
Animal and vegetable oils (not essential oils), fats, greases and derivatives	80,373	1,595,923			
Chemical elements and compounds	191,808	733,138			
Mineral tar and crude chemicals from coal, petroleum and natural gas	—	5,802			
Dyeing, tanning and colouring materials	5,150	333,406			

PHILIPPINES

	Imports H.K.\$	Exports H.K.\$
Meat and meat preparations	—	7,054
Dairy products, eggs and honey	—	287,774
Fish and fish preparations	—	237,234
Cereals and cereal preparations	—	279,390
Fruits and vegetables	2,584,860	1,758,350
Sugar and sugar preparations	13,120,844	59,461
Coffee, tea, cocoa, spices and manufactures	—	893,399
Feeding stuffs for animals (not including unmilled cereals)	3,899,775	1,376
Miscellaneous food preparations	47,488	399,030
Beverages	—	98,160
Tobacco and tobacco manufactures	473,513	11,863
Oil-seeds, oil nuts and oil kernels	2,598,764	271,585
Crude rubber, including synthetic and reclaimed	—	15,065
Wood, lumber and cork	705,392	—
Pulp and waste paper	—	25,700
Textile fibres and waste	3,175,562	113,742
Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	—	15,785
Metalliferous ores and metal scrap	4,298,170	—
Animal & vegetable crude materials, inedible	561,999	353,086

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Textile fibres and waste	4,003,903	335,093	Paper, paperboard and manufac- tures	—	1,105
Animal & vegetable crude mate- rials, inedible	68,390	744,331	Textile yarn, fabrics, made-up articles and related products	—	394,956
Mineral fuels, lubricants and related materials	36,601,378	—	Non-metallic mineral manufac- tures, n.e.s.	—	28,927
Chemical elements and compounds	—	29,180	Silver, platinum, gems and jewel- lery	—	3,154
Dyeing, tanning and colouring materials	—	10,354	Manufactures of metals	—	72,692
Medicinal and pharmaceutical pro- ducts	—	3,400	Machinery other than electric	—	2,818
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	18,213	Electric machinery, apparatus and appliances	—	70,892
Explosives and miscellaneous chemical materials and pro- ducts	—	131,215	Transport equipment	—	1,200
Leather, leather manufactures, n.e.s., & dressed furs	—	1,600	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	1,916,594
Rubber manufactures, n.e.s.	—	50,927	Furniture and fixtures	—	2,445
Wood and cork manufactures (ex- cluding furniture)	—	30,315	Travel goods, handbags and similar articles	—	64,440
Paper, paperboard and manufac- tures	—	29,336	Clothing	—	267,358
Textile yarn, fabrics, made-up articles and related products	151,388	5,619,973	Footwear	—	20,149
Non-metallic mineral manufac- tures, n.e.s.	—	69,924	Scientific instruments; photo- graphic & optical goods; watches & clocks	—	8,857
Silver, platinum, gems and jewel- lery	10,939,574	1,448,681	Miscellaneous manufactured arti- cles	—	145,072
Base metals	—	29,641			
Manufactures of metals	—	4,567,981	TOTAL	7,100	3,351,286
Machinery other than electric	—	114,048			
Electric machinery, apparatus and appliances	—	1,684,774			
Transport equipment	—	160			
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	2,389,736			
Furniture and fixtures	—	89,096			
Travel goods, handbags and similar articles	—	710,057			
Clothing	—	9,613,999			
Footwear	—	329,016			
Scientific instruments; photo- graphic & optical goods; watches & clocks	1,000	106,562			
Miscellaneous manufactured arti- cles	—	2,668,821			
TOTAL	51,917,525	33,531,706			

CENTRAL ASIAN COUNTRIES

	Imports H.K.\$	Exports H.K.\$
Fish and fish preparations	4,800	—
Fruits and vegetables	2,300	6,552
Coffee, tea, cocoa, spices and manufactures	—	273,401
Oil-seeds, oil nuts and oil kernels	—	7,904
Textile fibres and waste	—	200
Animal & vegetable crude mate- rials, inedible	—	16,311
Chemical elements and compounds	—	15,285
Medicinal and pharmaceutical pro- ducts	—	13,856
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	7,314
Explosives and miscellaneous chemical materials and pro- ducts	—	2,323
Leather, leather manufactures, n.e.s., & dressed furs	—	1,848
Wood and cork manufactures (ex- cluding furniture)	—	5,633

UNITED STATES OCEANIA

	Imports H.K.\$	Exports H.K.\$
Meat and meat preparations	—	435,349
Dairy products, eggs and honey	—	1,682,567
Fish and fish preparations	—	103,742
Cereals and cereal preparations	—	2,356,037
Fruits and vegetables	—	60,619
Sugar and sugar preparations	—	829,825
Coffee, tea, cocoa, spices and manufactures	—	39,966
Miscellaneous food preparations	—	610,937
Beverages	21,124	191,521
Tobacco and tobacco manufactures	—	345,960
Wood, lumber and cork	—	45,302
Textile fibres and waste	—	639,439
Metalliferous ores and metal scrap	6,200	—
Animal & vegetable crude mate- rials, inedible	232,590	51,442
Mineral fuels, lubricants and related materials	—	10,640
Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	189,228
Chemical elements and compounds	—	78,293
Dyeing, tanning and colouring materials	—	138,747
Medicinal and pharmaceutical pro- ducts	—	60,321
Essential oils and perfume mate- rials; toilet, polishing and cleansing preparations	—	239,642
Explosives and miscellaneous chemical materials and pro- ducts	—	4,513
Leather, leather manufactures, n.e.s., & dressed furs	—	467,333
Rubber manufactures, n.e.s.	—	1,756
Wood and cork manufactures (ex- cluding furniture)	450	23,692
Paper, paperboard and manufac- tures	—	78,186
Textile yarn, fabrics, made-up articles and related products	28,931	3,287,294
Non-metallic mineral manufac- tures, n.e.s.	—	1,088,637

	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Silver, platinum, gems and jewelry	3,735	416,503	Electric machinery, apparatus and appliances	—	59,960
Base metals	—	1,054,657	Transport equipment	—	35,554
Manufactures of metals	—	852,304	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	277,643
Machinery other than electric	6,000	390,731	Furniture and fixtures	—	145,420
Electric machinery, apparatus and appliances	—	74,667	Travel goods, handbags and similar articles	—	400,989
Transport equipment	—	534,424	Clothing	—	3,706,466
Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	—	202,619	Footwear	—	635,197
Furniture and fixtures	—	933,045	Scientific instruments; photographic & optical goods; watches & clocks	—	27,418
Travel goods, handbags and similar articles	—	298,815	Miscellaneous manufactured articles	—	518,222
Clothing	325	9,585,720			
Footwear	—	2,209,335			
Scientific instruments; photographic & optical goods; watches & clocks	580	1,478,656			
Miscellaneous manufactured articles	6,470	831,337			
Live animals, not for food	—	315			
TOTAL	317,405	31,924,116	TOTAL	576,049	10,292,864
OCEANIA, N.E.S.			AUSTRIA		
	Imports H.K.\$	Exports H.K.\$		Imports H.K.\$	Exports H.K.\$
Meat and meat preparations	—	69,084	Sugar and sugar preparations	7,096	—
Dairy products, eggs and honey	—	2,391	Coffee, tea, cocoa, spices and manufactures	15,372	—
Fish and fish preparations	—	155,879	Beverages	1,280	—
Cereals and cereal preparations	—	119,523	Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones	15,706	—
Fruits and vegetables	—	194,406	Animal & vegetable crude materials, inedible	—	10,104
Sugar and sugar preparations	—	27,604	Chemical elements and compounds	30,900	—
Coffee, tea, cocoa, spices and manufactures	149,178	126,658	Medicinal and pharmaceutical products	46,307	—
Miscellaneous food preparations	—	148,689	Essential oils and perfume materials; toilet, polishing and cleansing preparations	3,170	—
Beverages	—	43,860	Explosives and miscellaneous chemical materials and products	134,875	—
Tobacco and tobacco manufactures	—	37,637	Leather, leather manufactures, n.e.s., & dressed furs	365,271	—
Oil-seeds, oil nuts and oil kernels	—	233	Rubber manufactures, n.e.s.	8,550	—
Pulp and waste paper	—	177	Paper, paperboard and manufactures	12,825,689	—
Textile fibres and waste	—	1,317	Textile yarn, fabrics, made-up articles and related products	585,143	3,968
Metalliferous ores and metal scrap	301,312	—	Non-metallic mineral manufactures, n.e.s.	467,550	—
Animal & vegetable crude materials, inedible	125,559	48,773	Silver, platinum, gems and jewelry	101,155	—
Mineral fuels, lubricants and related materials	—	118	Base metals	303,812	—
Animal and vegetable oils (not essential oils), fats, greases and derivatives	—	1,972	Manufactures of metals	86,350	—
Chemical elements and compounds	—	8,991	Machinery other than electric	389,949	—
Dyeing, tanning and colouring materials	—	10,460	Electric machinery, apparatus and appliances	31,895	—
Medicinal and pharmaceutical products	—	135,124	Transport equipment	39,815	—
Essential oils and perfume materials; toilet, polishing and cleansing preparations	—	156,838	Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings	49,446	—
Explosives and miscellaneous chemical materials and products	—	52,753	Furniture and fixtures	37,061	2,570
Rubber manufactures, n.e.s.	—	2,623	Travel goods, handbags and similar articles	23,293	—
Wood and cork manufactures (excluding furniture)	—	13,460	Clothing	380,223	36,411
Paper, paperboard and manufactures	—	108,276	Footwear	—	75
Textile yarn, fabrics, made-up articles and related products	—	2,064,825	Scientific instruments; photographic & optical goods; watches & clocks	103,300	—
Non-metallic mineral manufactures, n.e.s.	—	311,350	Miscellaneous manufactured articles	212,085	950
Silver, platinum, gems and jewelry	—	50,098			
Base metals	—	71,725			
Manufactures of metals	—	484,271			
Machinery other than electric	—	36,880			
			TOTAL	16,265,293	54,078

(To be Continued)

PRINCIPAL MARKETS FOR HONGKONG PRODUCTS IN 1956

PART ONE

COTTON PIECEGOODS

	sq. yd.	HK\$	doz. pairs	HK\$	doz.	HK\$
United Kingdom	59,366,303	71,605,119	4,683	351,455		
Indonesia	23,810,816	29,855,596				
Australia	10,089,903	14,809,946				
Philippines	9,337,158	11,828,949				
Thailand	7,572,196	6,971,802				
African Countries, Other	5,426,878	6,658,571				
Malaya	3,523,481	4,873,283				
Africa, East (British)	2,198,719	3,263,963				
Cambodia, Laos & Vietnam	2,008,508	2,897,961				
Korea, South	1,374,002	2,583,850				
West Indies, British	2,087,847	2,368,772				
British Commonwealth, Other	1,525,967	1,720,699				
Africa, Central (British)	1,028,086	1,717,149				
Borneo, North	1,753,908	1,647,135				
Macao	721,870	1,569,299				
New Zealand	896,385	1,229,315				
America, Central	1,027,408	896,374				
Oceania, n.e.s.	632,505	699,398				
Oceania, British	294,127	302,765				
Africa, West (British)	178,160	208,394				
Germany (Western)	77,000	82,902				
European Countries, Other	75,097	50,600				
Canada	25,900	44,259				
Middle and Near East Countries	27,752	41,860				
Asian Countries, Central	33,018	41,584				
America, South (excluding Argentina and Brazil)	33,340	41,031				
Denmark	14,205	23,350				
Formosa	14,391	23,715				
Burma	18,204	23,476				
India	16,800	23,220				
Ceylon	15,000	22,425				
Sweden	7,606	13,240				
U.S.A.	10,808	12,425				
Egypt	11,425	11,708				
Norway	7,150	8,240				
Oceania, United States	153	252				
Total	140,518,816	173,307,143				

COTTON YARNS

	lb.	HK\$
Indonesia	14,921,751	46,422,419
United Kingdom	4,717,939	15,794,249
Philippines	3,951,927	14,184,894
Cambodia, Laos & Vietnam	3,136,310	9,249,718
Thailand	2,228,740	6,444,085
Burma	1,800,000	4,731,322
Pakistan	88,017	391,111
British Commonwealth, Other	58,000	190,080
Korea, South	11,600	45,900
Africa, South	19,000	42,875
Macao	14,260	32,979
Oceania, n.e.s.	10,000	30,000
New Zealand	5,192	16,953
Borneo, North	4,000	9,350
Canada	600	1,945
Total	30,967,336	97,587,880

FOOTWEAR

	doz. pairs	HK\$
United Kingdom	1,135,087	41,756,937
Malaya	85,344	9,040,891
Canada	125,713	4,198,113
African Countries, Other	92,486	2,611,913
Oceania, United States	10,589	2,151,104
Thailand	10,962	1,934,958
Netherlands	43,469	1,501,634
British Commonwealth, Other	27,983	1,434,335
Africa, West (British)	28,940	1,433,678
West Indies, British	20,240	1,328,375
Belgium	31,966	1,207,024
Germany (Western)	34,272	1,159,896
Cambodia, Laos & Vietnam	6,174	639,646
Africa, East (British)	19,924	827,123
America, Central	19,139	730,181
Borneo, North	8,687	626,741
Oceania, n.e.s.	6,082	578,972
Australia	8,702	523,537
America, South (excluding Argentina and Brazil)	13,438	457,339
Other	5,570	367,821

HOUSEHOLD UTENSILS OF IRON AND STEEL, ENAMELED

	HK\$
Africa, West (British)	28,768,404
African Countries, Other	14,691,027
Thailand	5,767,039
Indonesia	3,944,495
America, South (excluding Argentina and Brazil)	3,816,834
Malaya	3,694,908
Middle and Near East Countries	3,376,576
Africa, East (British)	3,012,682
America, Central	1,834,542
Africa, South	1,326,898
Ceylon	824,551
West Indies, British	715,739
Cambodia, Laos & Vietnam	622,907
British Commonwealth, Other	515,022
Borneo, North	491,939
Australia	446,095
U.S.A.	407,760
Burma	325,450
New Zealand	263,972
Oceania, n.e.s.	207,284
Oceania, British	165,959
Africa, Central (British)	120,934
Macao	95,850
Philippines	92,396
Formosa	85,179
European Countries, Other	79,479
Egypt	74,505
China	66,557
Belgium	66,000
Pakistan	59,363
Oceania, United States	47,794
Germany (Western)	38,819
Asian Countries, Central	28,317
Netherlands	34,923
Korea, South	29,984
United Kingdom	10,180
India	5,697
Denmark	5,618
Canada	2,400
Italy	2,167
France	159
Total	76,176,404

COTTON SINGLETs

	doz.	HK\$
Indonesia	2,150,789	30,937,804
Thailand	1,721,944	29,951,803
Cambodia, Laos & Vietnam	145,610	4,412,932
Africa, West (British)	49,375	1,429,798
West Indies, British	104,710	1,038,309
British Commonwealth, Other	96,777	973,850
Ceylon	59,151	948,114
Borneo, North	39,082	928,547
	81,104	766,056

	doz.	HK\$
Middle and Near East Countries	48,458	732,031
African Countries, Other	72,992	678,749
Africa, East (British)	62,055	597,897
Oceania, n.e.s.	32,705	541,500
Oceania, British	40,014	335,042
Australia	31,151	259,325
United Kingdom	14,126	217,005
Africa, Central (British)	13,288	197,490
America, Central	5,523	186,070
America, South (excluding Argentina and Brazil)	7,281	85,877
New Zealand	4,571	76,650
Germany (Western)	3,858	60,403
Netherlands	3,983	31,235
Asian Countries, Central	810	18,907
Sweden	1,532	15,487
Africa, South	451	9,340
India	370	7,347
Canada	1,000	5,800
Oceania, United States	170	3,165
France	100	1,930
Europe, United States	204	1,926
France	100	1,430
U.S.A.	11	1,111
European Countries, Other	33	790
Total	4,773,308	75,453,657

SHIRTS

	doz.	HK\$
United Kingdom	532,815	20,749,633
Africa, East (British)	274,592	9,998,093
Malaya	121,044	7,471,870
Africa, West (British)	194,641	7,413,646
African Countries, Other	76,487	3,379,647
British Commonwealth, Other	74,936	3,063,763
Africa, Central (British)	53,521	2,632,953
Thailand	29,682	2,405,083
Middle and Near East Countries	42,735	1,767,350
Australia	31,781	1,401,921
West Indies, British	33,068	1,370,399
America, Central	27,974	1,239,497
U.S.A.	37,531	1,296,843
Oceania, British	30,328	1,195,937
Cambodia, Laos & Vietnam	10,116	1,055,970
Denmark	20,712	993,192
Oceania, n.e.s.	18,076	792,653
Borneo, North	10,371	509,328
America, South (excluding Argentina and Brazil)	9,903	490,245
Formosa	5,416	304,435
New Zealand	5,482	301,366
Netherlands	4,147	263,198
Sweden	4,089	242,325
India	4,684	208,597
Oceania, United States	2,154	156,240
Canada	3,433	155,955
Germany (Western)	2,960	109,957
Macao	1,932	99,101
Indonesia	2,003	85,050
Norway	888	48,520
Belgium	856	47,044
Asian Countries, Central	1,009	43,018
Africa, South	1,377	41,856
Ceylon	550	29,362
Japan	144	20,924
European Countries, Other	159	20,504
Switzerland	245	16,200
Philippines	42	4,261
Pakistan	70	2,650
Korea, South	15	2,215
France	18	800
Total	1,672,118	71,550,966

ELECTRIC TORCHES

	doz.	HK\$
U.S.A.	836,383	7,923,515
India	421,008	5,139,679
United Kingdom	365,207	3,925,096
Thailand	85,235	2,768,548
Africa, West (British)	228,747	2,457,306
America, Central	148,157	2,344,853
America, South (excluding Argentina and Brazil)	117,655	2,222,518
Indonesia	91,322	2,186,020
Malaya	83,607	1,986,146

	doz.	HK\$
Asian Countries, Central --	68,684	1,898,052
Africa, South	111,370	1,868,321
African Countries, Other	134,327	1,832,022
Canada	126,116	1,512,804
Australia	70,778	1,289,524
Middle and Near East Countries	72,592	829,651
Philippines	51,489	823,782
Sweden	54,983	890,548
Korea, South	73,306	689,530
Ceylon	21,436	673,399
Cambodia, Laos & Vietnam	33,636	642,854
Netherlands	63,507	619,469
New Zealand	28,163	544,521
Africa, East (British)	29,905	521,267
Pakistan	43,043	512,981
Belgium	45,403	435,518
Borneo, North	13,334	348,546
West Indies, British	14,036	308,275
Italy	40,150	304,677
British Commonwealth, Other	20,411	290,475
European Countries, Other	35,694	282,849
Norway	12,689	261,139
Oceania, United States	11,073	195,785
Japan, Central (British)	10,917	184,883
Indonesia	17,352	179,360
Oceania, n.e.s.	8,080	146,810
Denmark	16,116	146,240
Egypt	13,767	88,860
Oceania, British	2,793	83,971
Germany (Western)	3,750	79,686
Burma	1,568	54,201
Formosa	3,219	46,770
China	2,200	36,870
Brazil	3,500	34,571
Switzerland	323	5,256
Macao	206	2,455
Total	3,625,237	49,394,345

FOODSTUFFS (including beverages)

	HK\$
Malaya	8,422,191
U.S.A.	4,730,010
Borneo, North	1,304,967
Macao	708,856
Philippines	640,126
Cambodia, Laos & Vietnam	588,812
Burma	479,516
United Kingdom	306,555
Indonesia	280,575
West Indies, British	242,974
Canada	219,071
America, Central	191,367
Australia	183,683
America, South (excluding Argentina and Brazil)	136,461
Thailand	120,057
Oceania, n.e.s.	112,333
New Zealand	101,596
Japan	96,951
Formosa	78,619
Oceania, British	57,397
African Countries, Other	48,972
India	19,376
Oceania, United States	17,512
Korea, South	16,834
Africa, East (British)	14,017
Africa, Central (British)	13,728
Germany (Western)	12,672
Africa, West (British)	11,053
British Commonwealth, Other	10,425
Other	10,211
Switzerland	8,655
Denmark	6,211
Netherlands	5,323
France	3,983
Sweden	3,275
Italy	2,320
Ceylon	1,470
Belgium	1,369
China	750
Pakistan	510
Middle and Near East Countries	229
European Countries, Other	187
Total	19,211,198

METAL LANTERNS

	doz.	HK\$
Indonesia	21,442	7,731,151
Malaya	5,619	1,623,307
Middle and Near East Countries	5,136	1,442,365

	doz.	HK\$
Cambodia, Laos & Vietnam	3,354	1,289,933
Thailand	6,369	1,291,880
Philippines	2,421	792,146
Ceylon	1,888	642,596
Borneo, North	947	338,312
U.S.A.	19,420	316,720
African Countries, Other	8,917	286,889
Africa, East (British)	5,886	269,989
China	545	212,520
Africa, West (British)	5,288	196,677
United Kingdom	7,109	140,850
British Commonwealth, Other	2,157	113,290
Oceania, n.e.s.	538	70,915
Australia	1,223	43,593
America, South (excluding Argentina and Brazil)	1,216	33,876
New Zealand	1,122	21,274
Canada	1,360	18,706
America, Central	1,051	16,679
Pakistan	35	14,808
Netherlands	885	10,102
Africa, Central (British)	216	9,403
Asian Countries, Central	103	8,988
Egypt	20	7,186
Africa, South	176	6,430
Belgium	450	5,511
Burma	11	5,410
Italy	325	5,040
West Indies, British	254	4,555
Oceania, British	86	4,283
India	8	4,091
Oceania, United States	24	2,132
European Countries, Other	17	496
Macao	6	216
Total	105,423	17,191,297

LACQUERS, VARNISHES AND
PAINTS

	lb.	HK\$
Malaya	4,792,137	6,003,812
Thailand	4,782,775	5,914,386
Cambodia, Laos & Vietnam	394,955	824,221
Borneo, North	613,475	713,224
Japan	315,172	406,455
Burma	279,288	365,996
Oceania, United States	80,622	138,747
Indonesia	87,180	120,630
Philippines	62,060	101,578
Formosa	62,228	100,032
Indonesia	25,025	47,100
Korea, South	19,418	37,234
Africa, East (British)	17,862	21,971
Africa, West (British)	10,160	11,350
West Indies, British	9,183	10,492
Oceania, n.e.s.	5,455	9,837
Middle and Near East Countries	7,940	9,440
Ceylon	4,513	8,034
Italy	3,000	5,980
Oceania, British	2,299	5,504
Africa, Central (British)	2,420	3,969
America, Central	3,123	3,519
Australia	2,130	2,769
Germany (Western)	429	1,119
British Commonwealth, Other	120	220
Other	160	197
Total	11,583,135	14,867,818

IRON AND STEEL BARS AND
ROUNDS

	cwt.	HK\$
China	86,664	4,015,497
Japan	79,421	3,665,546
Thailand	56,880	2,320,199
Cambodia, Laos & Vietnam	41,911	1,844,555
Africa, East (British)	12,940	442,719
New Zealand	12,891	427,456
Borneo, North	10,217	405,764
Macao	7,017	288,495
Australia	6,720	245,323
India	6,830	239,930
Indonesia	5,899	226,006
Burma	4,694	216,409
Oceania, United States	2,900	120,759
British Commonwealth, Other	2,480	93,182
Malaya	1,699	64,074
Philippines	943	26,701
Total	339,709	14,643,115

TOWELS, NOT EMBROIDERED

	doz.	HK\$
Thailand	259,068	4,436,201
United Kingdom	411,229	3,986,659
Malaya	391,564	3,146,796
Cambodia, Laos & Vietnam	20,455	503,731
British Commonwealth, Other	30,511	309,651
New Zealand	35,321	292,106
West Indies, British	31,119	268,728
African Countries, Other	17,925	196,779
Borneo, North	17,697	173,695
Canada	16,897	132,668
Australia	14,170	128,943
Sweden	12,470	121,882
Africa, South	10,140	115,102
Africa, West (British)	6,185	97,893
Oceania, n.e.s.	5,352	82,232
Norway	10,865	80,486
Macao	7,909	59,018
America, Central	5,461	52,906
Oceania, British	2,150	39,054
Burma	6,020	32,440
America, South (excluding Argentina and Brazil)	2,361	23,525
Middle and Near East Countries	HK\$	14,821
Africa, Central (British)	1,625	11,165
Germany (Western)	610	10,644
Denmark	560	7,385
Asian Countries, Central	385	6,986
Oceania, United States	875	6,110
U.S.A.	HK\$	3,800
Africa, East (British)	350	3,424
France	HK\$	3,250
Ceylon	255	1,574
Philippines	120	960
Formosa	30	180
Total	1,321,699	14,350,794

BED LINEN, TABLE LINEN AND
TOILET LINEN (including towels),
EMBROIDERED

	HK\$
America, Central	3,686,497
America, South (excluding Argentina and Brazil)	2,741,857
United Kingdom	964,936
Africa, South	435,219
Germany (Western)	397,440
New Zealand	298,757
Malaya	234,584
Australia	223,443
U.S.A.	203,055
Oceania, United States	177,398
Japan	174,696
Italy	159,770
British Commonwealth, Other	126,484
African Countries, Other	112,439
Thailand	111,943
Middle and Near East Countries	102,239
West Indies, British	84,143
Sweden	78,748
Philippines	65,705
Switzerland	63,236
Belgium	41,540
France	38,499
Canada	36,461
Norway	32,131
Africa, West (British)	29,878
Oceania, n.e.s.	19,633
Borneo, North	16,051
Indonesia	15,255
Netherlands	14,593
Africa, East (British)	13,095
Denmark	7,289
Cambodia, Laos & Vietnam	6,711
Pakistan	6,490
Burma	5,699
Oceania, British	3,186
Turkey	2,260
European Countries, Other	2,240
Asian Countries, Central	1,050
India	835
Formosa	720
Africa, Central (British)	258
Total	10,738,233

(To be Continued)

FINANCE & COMMERCE

HK EXCHANGE MARKETS

April 29th to May 4th, 1957

Date	U.S.\$		Notes	
	T.T. High	T.T. Low	High	Low
Apr. 29	\$628½	626	623½	621½
30	626½	625½	623½	622½
May 1	625½	624½	623½	622
2	624½	624	622	621
3	626	625½	622½	622½
4	627½	626½	624½	623

D.D. rates: High 625½ Low 622.

Highest and lowest rates recorded in the month of April were for T.T. \$628½ and 617½, and for Notes \$624 and 614.

Trading totals: T. T. US\$3,030,000; Notes cash US\$265,000, forward US\$2,010,000; D. D. US\$360,000. The market was uncertain and rates fluctuated in line with cross rates in New York. In the T. T. sector, gold and general importers bought freely with offers from Japan, Korea and the Philippines. News of modifying the export ban on Hongkong and China by the United States resulted in better demand of T. T., and it is expected that tradings will hereafter be more active. In the Notes market, oversold speculators covered their positions feverishly because of the heavy change over interest fixed. Interest favoured buyers and aggregated \$19.65 per US\$1,000. Speculative positions taken averaged US\$2½ millions per day. In the D. D. sector, market was quiet.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.76—1.755, Japan 0.014775—0.014625, Malaya 1.876—1.875, Vietnam 0.06451—0.0637, Laos 0.06, Cambodia 0.077—0.06, Thailand 0.2841—0.282. Sales: Pesos 310,000, Yen 124 million, Malayan \$280,000, Piastre 12 million, Kip 5 million, Rial 6 million, and Baht 3 million. Exchange on Cambodia dropped heavily because of imports by self-provided foreign exchange are allowed and merchants sold heavily to obtain local currency.

Chinese Exchange: People's Yuan officially unchanged at 6.839 per Pound Sterling, 0.427 per HK\$, 0.805 per Malayan \$, 0.514 per Indian or Pakistan Rupee, 0.585 per Swiss Franc, and 2.345 per US\$; cash notes quoted here at HK\$1.45 per Yuan. Taiwan Dollar remained officially at 15.65—15.55 per US\$ and 2.74—2.72 per HK\$; cash notes quoted here HK\$0.16—0.159 per Dollar, and remittances at 0.153—0.152.

Bank Notes: Highest and lowest rates per foreign currency unit in HK\$: England 16.72—16.50, Scotland and Ireland 14.00, Australia 12.65, New Zealand 15.36—15.30, Egypt 11.00,

East Africa 15.40, West Africa 13.50, South Africa 16.40—16.20, Jamaica 13.50, Fiji 10.00, India 1.19—1.1895, Pakistan 0.88—0.86, Ceylon 1.00, Burma 0.50, Malaya 1.845—1.84, Canada 6.485—6.47, Cuba 5.00, Argentine 0.17, Brazil 0.07 Philippines 1.755—1.7475, Switzerland 1.42, West Germany 1.42, Italy 0.0093, Belgium 0.11, Sweden 1.02, Norway 0.72, Denmark 0.77, Netherlands 1.46, France 0.0151, Vietnam 0.075—0.072, Laos 0.065—0.058, Cambodia 0.0815—0.079, North Borneo 1.60, Indonesia 0.15—0.147, Thailand 0.28—0.278, Macau 1.002—1.00, Japan 0.015175—0.01515.

Gold Market

Date	High .945	Low .945	Macau .99
Apr. 29	\$272	271½	
30	271½	271½	
May 1	271½	270½	
2	270½	270½	
3	271½	271	Low 280½
4	271½	271½	282½ High

The opening and closing prices were 271½ and 271½ and the highest and lowest 272 and 270½. Highest and lowest for the month of April were \$272½ and 267½. The market was quiet and on the easier side, most of the business was done between importers and exporters, while speculators were very quiet. Interest favoured buyers and aggregated 12 cents per 10 tael of .945 fine. Tradings averaged 6,400 tael per day and totalled 38,400 tael for the week, in which 18,220 tael were cash transactions (2,120 tael listed and 16,100 tael arranged). Positions taken by speculators averaged 12,000 tael per day. Imports were all from Macau (via Hongkong) and amounted to 10,500 tael, one shipment of 40,000 fine ounces arrived there from HK in the week. Exports totalled 11,000 tael (6,500 tael to Singapore, 3,500 tael to Indonesia, and 1,000 tael to Rangoon). Differences paid for local and Macau .99 fine were \$13.50 and 12.50 respectively per tael of .945 fine. Cross rates worked were US\$37.81—37.79 per fine ounce; 25,600 fine ounces were contracted at 37.80 C.I.F. Macau. US double eagle old and new coins quoted \$285 and 263 respectively per coin, English Sovereigns HK\$63 per coin, and Mexican gold coins HK\$292 per coin. **Silver Market:** 500 tael of bar silver traded at \$5.95—5.92 per tael; 800 dollar coins at \$3.83—3.80 per coin; and twenty-cent coins nominally at \$2.93—2.92 per five coins.

Agreed Merchant T. T. rates: Selling and buying per foreign currency unit in HK\$: England 16.202—15.867, Australia 13.016—12.757, New Zealand 16.202—16.10, United States 5.818—5.735, Canada 6.0836—5.9925, India 1.216—1.205, Pakistan 1.218—1.204, Ceylon 1.219—1.207, Burma 1.216—1.205, Malaya 1.8868—1.8692. Selling per foreign currency unit in

HK\$: South Africa 16.236, Switzerland 1.3267, Belgium 0.11655, West Germany 1.384.

Brisk Business: All exchange markets are active; bullion business is generally on high level. US\$ moves here in sympathy with New York and free European exchanges. The trend is undecided but there is again some speculative forward buying of funds in New York, probably in anticipation of higher TT New York and subsequent profit taking when the free sterling/dollar cross would level off. Last month's high and low crosses were US\$ 2.54—2.60, i.e. 7—9% down on London/New York parity. The 'gold dollar' remains strong whatever the boom or bust predictions about US production; there is no substitute for this one-and-only world currency. On both sides of the Iron or Bamboo or what-have-you curtain there are misgivings about the apparently perennial strength of the US\$; however like the industrial and war-making strength of the US this is a fact which no comment or opinion can change.

Investments in the dollar-area, which includes prominently Canada, have of late been rising and Far Eastern holders have taken a growing interest in opportunities, or perhaps only security, offered in North America. Many brokers here have established services with US and Canadian financial houses to assist local investors—often this assistance looks more like insistent canvassing. There is evidence that every week considerable amounts of funds from here—though not necessarily originating in Hongkong—are being invested, in one form or the other, in North America (bank accounts, securities).

The local sales in the free US\$ market remain buoyant. Last week US\$ 3.7 m were sold spot and 2 m in futures (much of the latter amount though not for commercial or financial purposes but as a speculative counter, to earn—or loose—change-over interest).

In Far Eastern and most other Asian currencies and drafts there is always good business. The range of exchange operations extends practically all over the globe; West Indian currencies as well as African curiosities are being offered, and the exchange specialists and our many 'native banks' (in some of which our commercial banks have more than a passing interest) are eagerly exploring further improvement of their business.

The Philippine peso is being quoted here in the free market at an unusually low rate; \$1.74—1.76 per peso, both in transfer and notes. Previously notes quoted higher because of scarcity of supply as compared with easy flow of transfers. But now there is plenty of

peso supply and the holiday-makers from the Philippines, many of whom are buyers of cargo, are bringing into HK large quantities of peso currency. The rate here has dropped below Manila's black market; the local cross for peso is now only 27 to 28 US cents. That is a discount of 44% as against the official parity. No wonder that many people in Manila now are puzzled about the future of the peso/dollar parity. Unless the government there take steps—which they can do but are afraid to take—the gap between the official and free market rate will remain as wide as at present, and that cannot but exert many harmful influences on all aspects of economic life, even on national unity, in the Philippines.

HK SHARE MARKET

Trading was very steady last week and turnover averaged about \$700,000 a day. Interest was well distributed and prices for most popular shares closed firm at weekend. With the exception of Star Ferries, utilities retained strong demand throughout the week; prices firmed. HK Banks opened firm at 1665; profit taking forced buying offers to 1640 but lowest trading price was 1645 and closed firmer at 1655. HK Wharves enjoyed very strong demand; 1,300 shares transacted at 104, 105, 108, 110, 109 and closed at 108. Wheelocks, Docks and Providents also retained steady demand and firm prices. Shares which registered slight drops under small-scale profit taking included Lands, Dairy Farms and Cottons. Amal Rubbers were firmer but Investments were dull.

Monday: opened steady; turnover \$700,000. **Tuesday:** prices hardened; \$787,000. **Wednesday:** \$328,000.

Thursday: prices well maintained; \$762,000. **Friday:** closed firm; \$791,000.

Dividends: Lombard Insurance, \$2 per share for 1956; Peak Tramways, \$5 per share on fully paid shares and \$2.50 on partly paid; Macao Electric, \$1.20 per share for the year ended Nov. 30, 1956.

HONGKONG STOCK EXCHANGE IN APRIL

With Queen's birthday and Easter holidays, three full working days were lost during April and affected, to some extent, the amount of business reported for the month. The announcement by China Lights of a New Issue in the ratio of 1 (at par) for every 5, disappointed investors in view of the considerable liquid assets possessed by the Company as at 30th September, 1956. The general opinion was that as the Company had retained, and re-invested in the undertaking, the sum of \$33 million out of profits between 30/9/53 and 30/9/56 alteration in Capital should be by way of a Capital Bonus. Announcement by the Union Insurance Society of Canton Ltd. to sub-divide its £10 shares of £1 each was welcomed by investors, and the immediate effect was to raise the buying rate of the shares. At the close the market was steady.

Banks & Insurances: Demand for Hongkong Banks continued at slightly improved rates, and the proposed subdivision of Union shares resulted in enquiries at higher prices. The small parcels of Lombards changing hands had no effect on prices. **Investment Companies:** Large parcels of Allied Investors were dealt in without affecting rates; more interest was centred on Yangtszes and Hongkong Far Easterns.

Shipping: Wheelocks had a fair number of substantial deals at advancing rates. Other shares were inactive. **Docks & Wharves:** More activity was shown in Hongkong & Kowloon Wharf shares at improving prices but demands for Hongkong Docks and China Providents lessened. **Lands & Hotels:** Trading in Hongkong Hotels restricted but demand for Hongkong Lands and Land Rights was active. A fair number of Realities changed hands. **Public Utilities:** China Lights new issue further depressed shares in this section with the exceptions of Ferry Companies and Hongkong Telephones. **Industrials:** Comparatively few shares changed hands in this group. **Stores:** Trading was restricted; Dairy Farms and Watsons were more active. **Miscellaneous:** Business was negligible; International Films had some enquiries but not much business. **Cottons:** Nanyangs registered moderate trading. **Rubbers:** Amalgamated followed by Rubber Trusts and Sungalas were again in the lead; rates influenced by raw rubber price.

Dividend announcements were made by Union Insurance Society of Canton, Ltd., Indochina Steam Navigation Co., Ltd., China Light & Power Co., Ltd., Amoy Canning Corporation (H.K.) Ltd., Calbeck, Macgregor & Co., Ltd., and Rubber Trust, Ltd.

Business in April: \$11,159,699. Business in 1956: \$211,002,275. Business during Jan.-April 1957: \$53,154,934. Business in April, 1956: \$17,552,246.

BUSINESS REPORTED IN APRIL

	Qty. of Shares
H.K. Govt. Loan 3½% (1948) —	\$3,000
H.K. Bank	570
Bank of East Asia	50
Lombard Insurance	2,885
Union Insurance	263
Allied Investor	108,750
Yangtze	4,163
H.K. & Far East Inv.	2,300
Union Waterboat	1,330
Asia Navigation	1,000
Wheelock Marden	119,746
Wharf Co.	4,651
C. Provident	10,318
H.K. Dock	7,161
Shanghai Dock	200
H.K. Mine	40,000
H.K. & S. Hotels	22,200
H.K. Land	10,820
H.K. Land (Rts)	14,837
Humphreys	1,500
Realty	59,300
H.K. Tram	31,350
Star Ferry	750
Yaumati Ferry	5,020
China Light	82,557
H.K. Electric	19,185
Macao Electric	5,650
Telephone	51,390
Cement	17,264
Rope	700
Metal Industries	100
Dairy Farm	33,281
Watson	11,455
Lane Crawford	1,600
Sincere	800
Vibro Piling	1,000
Shanghai Gas	100
Intl. Film	5,500
Textile	3,500
Nanyang Mill	23,000
Rubber	
Amalgamated Rubber	127,483
Ayer Tawah	4,248
Langkat	600
Rubber Trust	42,840
S'hal Kelantan	6,000
Sungala	13,800

Share	April 28	Last Week's Rate		Closing	Up & Down	Dividend	Annual Yield*
		Highest	Lowest				
HK Bank	1665	1665	1645	1655	—\$10	\$80	4.83
Union Ins.	980	975	970	970	—\$10	\$34	3.51
Lombard	38	38.25 b	38 b	38 b	steady	\$2	5.28
Wheelock	7.50	7.50	7.35	7.50	steady	75c	10.00
HK Wharf	104	110	104	106	+84	\$8	5.58
HK Dock	44.25	44.75	44.25	44.75	+50c	\$2	4.47
Provident	12.30	12.40	12.30	12.40	+10c	\$1	8.08
HK Land	35.50	35.50	35.25	35.25	—25c	\$3.50	9.93
Realty	1.375	1.40	1.375	1.40	+3½c	15c	10.71
Hotel	14.80	15.20	14.80	15.20	+40c	\$1	6.58
Trams	21.40	21.60	21.40	21.60	+20c	\$1.70	7.97
Star Ferry	137 s	138 s	135	136 s	—\$1	\$0	6.62
Yaumati	103	103	102	103	steady	\$7.50	7.38
Light	18.40	18.40	18.30	18.40	steady	\$1.10	5.98
Electric	29	29.40	28.90	29.20	+20c	\$2	6.83
Telephones	24.80	25.50	24.80	25.50	+70c	\$1.50	5.88
Cement	32.50	32.75 s	32.50	32.50	steady	\$4	12.31
Dairy Farm	14.80	14.90	14.60	14.70	—10c	\$1.63	11.09
Watson	11.60	11.60	11.50	11.60	steady	\$1	8.62
Yangtze	6 b	6.30 s	6 b	s	steady	70c	11.67
Allied Inv.	4.575	4.55	4.45 b	4.55 s	—3½c	25c	5.49
HK & FE Inv.	10.30	10.30	10 b	10 b	—20c	75c	7.50
Amal. Rubber	1.475	1.525	1.475	1.525	+5c	30c	19.67
Textiles	4.675	4.70 s	4.65 b	4.65	—3½c	50c	10.75
Nanyang	8.20	8.15	s	s	—20c	80c	10.00

* Annual Yields are only ESTIMATES calculated with current X-All rates against last year's dividends.

CLOSING RATES ON 30-4-57

HK Govt. Loans

3½% Loan (1934 & 1940), 88½ nom.
3½% Loan (1948), 88 b.

Banks

H.K. & S. Bank, 1065 s.
H.K. & S. Bank (Lon. Reg.), £100½ nom.
Bank of East Asia, 250 b.

Insurances

Union Ins., 965 b; 975 s.
Lombard Ins., 38¼ b.
China Underwriters, 870 nom.

Investment Companies

Allied Investors, 4.55 s; 4½ sa.
Yangtze Finance, 6 b.
H.K. & F.E. Invest., 10 b; 10.30 sa.

Shipping

Douglases, 592½ nom.
Indo Chinas (Pref), 14 nom.
Indo Chinas (Def), 46 nom.
U. Waterboats, 20.90 nom.
Asia Nav., 1.30 b; 1.30 sa.
Wheelocks, 7¼ b; 7.40 s; 7.40/.35 sa.

Docks, Wharves & Godowns

H.K. & K. Wharves, 105 b; 105 sa.
Sh. Hongkew Wharves, 1 b.
H.K. Docks, 44¼ b; 44¼ s; 44¼ sa.
China Provident, 12.20 b; 12.40 s; 12.30 sa.
Shai Dockyards, 1.35 b.

Mining

Raub Mines, 3½ nom.
H.K. Mines, 4c nom.

Lands, Hotels & Bldgs.

H. & S. Hotels, 14.90 b; 15 s; 14.90 sa.
H.K. Lands, 35 b; 35¼ s; 35¼/¼ sa.
H.K. Lands (Rights), 10.40 b; 10.80 s; 10.80/½ sa.
A/Fr. Lands, 35c nom.
Shai Lands, 93c nom.
Humphreys, 16.60 nom.
H.K. Realities, 1.575 b; 1.40 s; 1.40 sa.
Chinese Estates, 380 nom.

Public Utilities

H.K. Tramways, 21½ b; 21.70 s; 21.40/½ sa.
Peak Trams (F. Pd.), 77 nom.
Peak Trams (Partly Pd.), 39 nom.
Star Ferries, 135 s; 135 sa.
Yaumati Ferries, 102 b; 102/103 sa.
China Lights Ex. All, 18.30 b; 18.40 s; 18.30 sa.
H.K. Electric, 29 b; 29.20 s; 29.00/29 sa.
Macao Electric, 10 b; 10.10 sa.
Sandakan Lights, 8½ nom.
Telephones, 25 b; 24.90/25 sa.
Shanghai Gas, 1.15 b.

Industrials

Cements, 32¼ b; 32¾ sa.
H.K. Ropes, 13.20 b.
Metal Industries, 1.625 s.
Amoy Canning (H.K.), 33 b.

Stores

Dairy Farms, 14.60 b; 14.90 s; 14.70 sa.
Watsons, 11¼ b; 11.70 s.
L. Crawfords, 28 b; 28.40 sa.
Cald. Macg. (Ord.), 27 b.
Sinceres, 1.875 b.
China Emporium, 8.90 b.
Sun Co., Ltd., 75c b.
Kwong Sang Hong, 183 nom.
Wing On (H.K.), 65½ b.

Miscellaneous

China Entertainments, 17.20 b.
International Films, 30c b.
H.K. Constructions Ex. Div., 5.30 b.
Vibro Pillings, 16 nom.
Marsman Investments, 6/- nom.
Marsman (H.K.), 65c nom.

Cottons

Ewos, 85c nom.
Textile Corp., 4.65 b; 4.70 s.
Nanyang Mill, 8 b; 8.15 s.

Rubber Companies

Amalgamated Rubber, 1¼ b.
Ayer Tawah, 1.90 b.
Java-Consolidated Estates, 45c nom.
Langkat, 1¼ b.
Rubber Trust, 1¼ b.
Shanghai Kelantan, 96c b.
Shanghai Sumatra, 2.60 nom.
Sungai, 96c b.

TRADE DEVELOPMENTS IN APRIL

Hongkong exports to Indonesia were adversely affected by the shortage of foreign exchange in Djakarta. Thailand, too, curtailed purchases from here because money was tight in Bangkok. There was a slight improvement in trade with the Philippines, Australia, India, Cambodia and Burma but prospects uncertain. Exports to Malaya remained active but purchases from here during the month slowed down. Trade with Korea and Taiwan showed no encouraging sign. Imports of foodstuffs from China, staples from SE Asia, cement and textiles from Japan, metals and consumer goods from UK, US and Europe remained substantial. According to trade figures published by Government, exports totalling \$262.7 million were \$21.3 m less than previous month and \$56.5 m lower than April last year; imports amounting to \$465.9 m were \$7 m less than March this year but \$35 m more than April 1956. Judging from the fact that cargo movements between HK and UK, Europe, US were particularly heavy during the month on account of pending freight increases, decline in exports to other countries must be sharp.

In the local commodity market, prices for round bars and other steel products levelled off after previous drops; popular items of China produce were steady on improved but selective demand from Japan, Europe and SE Asia; paper transactions were restricted by short stock and low buying offers while replenishment cost advanced; pharmaceuticals registered more enquiries than orders; chemicals remained quiet; cotton yarn, cloth, sugar and cement retained strong local demand and steady exports to SE Asia; wheat flour slowed down in local sales but improved exports kept prices firm; rice market turned sluggish.

Insurance rate for cargo going through the Suez Canal was increased from 0.05% to 0.30%; rate for shipments around the Cape unchanged at 0.05%. Shipping companies continued to collect 15% surcharge on shipments to and from Europe around the Cape; basic rates for freight between HK and Europe, US, UK will be hiked beginning May 1, 1957.

Trade with China: In the local market, China absorbed round bars and other steel products as well as selective items of pharmaceuticals and industrial chemicals when prices here were at low levels on account of heavy imports or because quotations depressed by selling pressure; with the exception of round bars, other purchases were limited in volume. Consignments of foodstuffs from China remained heavy; there were also beans and other staples but quantities shipped here were not heavy. Industrial products reached local market included electric fans from Shanghai (\$115 for a 16" desk fan); imports of

cement, paper, cloth, window glass were curtailed and prices marked up. Peking also offered "Liberation" trucks to local dealers; this item is now on exhibition at Canton Trade Fair (April 25 to May 8) together with hundreds of other export items.

Reports from Canton claimed that orders for goods worth HK\$7 million were contracted by businessmen from HK and other countries at the fair during the first week; articles ordered included canned goods, fruits, textiles, torch, lighters, machinery, jade and other precious stones. Most local China traders were invited by Canton to attend the fair. To discourage smugglers from using this opportunity to send illegal goods to Canton, authorities there published a report on anti-smuggling activities listing many common methods employed in 5,307 cases detected last year and alleging that most smuggling activities were directed by Kuomintang agents. Anyway, dealers who went there were far less in number than during previous exhibitions because imports from China are still handicapped by limited supply of popular staples and industrial products while exports to China are restricted by low buying offers and Peking's direct purchases from manufacturing countries.

For instance, China is buying far more from Japan than from here. 5 Japanese companies will ship a million US dollars worth of strategic commodities to China this year in part payment for 400,000 tons of coal imported by Japan in 1956; Peking will get 4,300 tons of sheet iron, tin plate and cold strip. Tokyo reported that these shipments had been approved by COCOM (coordinating committee for control of products embargoed to China). Japan made no specific representations to US on the easing of controls on China trade. However, Tokyo asked Peking to postpone talks for the renewal of a trade agreement pending relaxation of the embargo. Tokyo businessmen is planning a US\$100 million each way trade with Peking this year; during 1956, Japan's exports to China totalled US\$67 m and imports amounted to \$83 m.

During the first 3 months this year, UK's exports to China rose nearly 8% to £2.15 m from £2 m for the same period last year. First quarter imports from China stood at £3.68 m as compared with £2.45 m last year. UK exports consisted chiefly of chemicals, woolslops and certain electric appliances such as X-ray apparatus; from China, UK bought dried eggs, tea and textile yarn. UK exporters hope to boost trade with China to around £80 m a year when the embargo is relaxed. Peking is particularly anxious to buy heavy electrical equipment, diesel engines, copper wire, tractors, building and agricultural machinery. Encouraged by

China's purchase of passenger cars from HK and UK last year, Austin agents advertised in Peking People's Daily, organ of Chinese Communist Party, requesting buyers to contact British Embassy in Peking; similar ads had appeared in Shanghai newspapers in March.

While the West fought over the issue of China Embargo, Peking continued to rely heavily on trade with Communist countries. With Poland, China signed a 310 million rouble trade agreement for 1957 covering imports of complete sets of industrial equipment with blueprints, ships, lathes, digging machines, tractors, chemicals and other equipment and supplies from Poland in exchange for Chinese iron ore, minerals, non-ferrous metals, raw materials for chemical and textile industries, silk textiles, tea, tobacco and other consumer goods. The agreement signed between China and East Germany for 1957 increased the volume of trade between the two countries covering minerals, non-ferrous metals, foodstuffs, animal products, silk fabrics, tea, handicraft articles and consumer goods from China against industrial equipment and machinery, chemicals and other materials from Germany. A 1957 Sino-Russian trade agreement was signed in Peking under which China will supply Rumania with minerals, leather, jute, silk, woolen textiles, etc. in exchange for power plant, drilling equipment, petroleum products and chemical raw materials. A Sino-Soviet goods exchange protocol for 1957 was signed in Moscow. USSR will provide China with machine tools, forging and pressing machines, oil drilling and mining equipment, surveying and other scientific instruments, electric appliances, excavators, petroleum products, steels, non-ferrous metals, chemicals, medical equipment, drugs, etc. China will supply Russia with tungsten, molybdenum, tin, mercury, non-ferrous refined ores, cement, sulphur, chemical products, woodoil, raw silk, woollen goods, silk products, knitwear, pig bristle, soya bean, tea, cured tobacco, oranges and tangerines, handicrafts, etc. According to Peking, the volume of Sino-Soviet trade last year was 4½ times that of 1950. Complete sets of industrial equipment for 43 enterprises, out of the 156 projects being built in China with Russian aid, were put into operation. Complete sets of equipment for 14 other projects are expected to reach China this year. From 1953 to end 1956, 2,010,000 tons of steel, 5 million tons of petroleum and over 2,500 sets metal-cutting machine tools were imported from Russia.

Trade with Japan: Imports from Japan were heavy during the month; principal items were cement, cotton textiles, rayon products, sea food, electric appliances, fruits, sundries, paper. Increased indents for paper and textiles, however, discouraged dealers here from booking heavy replenishments. There were indications that while number of orders from SE Asia for Japan-

ese paper, textiles and other products had been dropping since beginning this year, Japanese pharmaceuticals, nails, galvanized iron sheet, door hinges and other building fixtures, electric fans and other appliances, cameras, mechanical toys enjoyed better local demand. Exports to Japan included 6,500 tons of iron ore, 5,000 tons of scrap iron, and consignments of beans, cotton waste, woodoil, rattan, maize, cassia, cowhide, bone meal, sesame and other staples. Towards end of month there were also orders from Japan for round bars but the volume was not yet substantial.

During the month Japanese manufacturers and traders representing rayon, textile, cement, fertiliser, marine and other industries visited HK to survey local as well as SE Asian markets. One of these delegations, a 6-member Osaka Trade Promotion Group, claimed that prospects of increasing trade between Japan and South Vietnam, Cambodia, Laos, and Thailand were "better than ever". In other words, Japan would conduct more direct trade with these countries providing stronger competition to HK's entrepot trade.

Trade with UK and Europe: In view of the pending increase in freight for cargo to and from Europe beginning May 1, shippers rushed deliveries during April. Consequently, imports reached 45,000 tons and exports totalled 23,000 tons; about 40% of the trade was with UK. Principal imports were metals, woollen and rayon textiles, wines and provisions, dyestuffs, chemicals, automobiles, pharmaceuticals, paper, machinery and equipment. Exports to UK consisted chiefly of cotton textiles, rubber footwear, plastic products and shipments to Europe included enamelware, cotton textiles, rattan, cotton waste, torch, rosin, cassia, turpentine, raw silk, sea grass, aniseed star, and other staples.

Dealers here curtailed booking of woollen yarn from UK and Europe on account of increased cost; made no effort to order metals because local stock still heavy; wished to import more paper but unable to get early deliveries. On the other hand, British machinery and equipment, especially those used in building construction and air conditioning system, enjoyed growing local demand. Imports of Swiss watches remained substantial; most shipments were by air freight. Demand for German dyestuff was still restricted to local consumption; export of this item to China and other markets showed no sign of recovery. French consumer goods manufacturers were anxious to develop local demand, but with the exception of patent medicines, perfumes and wines, other products were still not very popular here. Several French firms offered plastic materials, needles for repairing socks and stockings, etc.; interested parties were requested to contact French Consulate here. More French autos (Renault, Citroen, Simca)

appeared on HK roads recently but sales campaign here was far less aggressive than those launched by dealers for US and British cars.

In exports, demand from UK for cotton textiles, shirts and other wearing apparel remained strong but there were fewer orders for gloves, rubber footwear, and China produce. Switzerland and other European countries showed keen interest in HK cotton textiles, torch, plastic products and rubber shoes but orders were mostly for small quantities; demand for China produce improved but increasing number of such transactions were concluded for forward deliveries direct from China to Europe. To promote exports of HK products to Europe, Government urged local factories to participate in 23 different exhibitions to be held in Europe this year.

Trade with US: Exporters here rushed consignments of rattanware, torch, toys, plastic products, furniture, cotton textiles, and Chinese-style foodstuffs totalling 14,000 tons to US in view of the pending increase in freight charges. Imports reached 10,000 tons; principal items included black plate, textiles of synthetic fibres, autos, cotton, frozen food, fruits, pharmaceuticals, air conditioning units, canned food and cosmetics. The new cost of shipping HK products to San Francisco will be almost double that for sending similar items from Japan to the same market. This question was brought up by local manufacturers in their meeting here with the Los Angeles Chamber of Commerce trade delegation. HK industrialists sought cooperation from the delegation to (1) promote exports of HK products to US; (2) relax US customs restrictions thereby facilitating entry of HK products into US; (3) persuade shipping companies to reconsider freight hikes; (4) introduce US machinery and technique to modernize HK industries. The mission would try to bring about a readjustment in freight rates and suggested that (1) HK should have a representative in Los Angeles; (2) HK should have permanent exhibitions of various products in American cities; (3) HK should send to US, products which only HK craftsmen could make and which Americans could not produce.

During the month, Government arranged with US authorities to allow shipments of HK prepared white olives and black olives to US if covered by comprehensive certificates of origin. To prevent diversion of US exports to unauthorized destinations, Washington required that destination control statements must appear on all export declarations, bills of lading or airway bills and other export documents.

Trade with Canada: Exports to Canada were slightly better than 1956 but still averaged only about \$3 m a month consisting chiefly of ginger, cotton textiles, rubber shoes and other HK

products. Imports were mainly wheat, wheat flour, canned food, pharmaceuticals, toilet paper and other articles.

Trade with Indonesia: On account of the Pusa Festival and curtailed imports of various items after Djakarta's gold and foreign currency reserves fell to the lowest point of 16.19% of the currency in circulation, commodity prices in Indonesian markets advanced. Orders reached here during the first fortnight covered only small quantities of nails, paper, rosin, garlic, grey sheeting, metals and window glass. No purchasing authorizations reached here from Djakarta for HK cotton textiles (mostly yarn) against payment in US raw cotton; mills here however were told that deliveries should be made before end of July. Towards month-end, Djakarta suspended general imports with the exceptions of (1) imports under foreign exchange certificates earned from exports of staples, (2) imports of US surplus agricultural products (including cotton textiles processed from US raw cotton), (3) Australian wheat flour, (4) books and printed matters from US, (5) imports financed by international loan agreements, and (6) government purchases including edible rice.

Exports to Java could not possibly be increased before currency reserves in Djakarta improve. On the other hand the volume of HK's direct shipments to Indonesian ports outside Java island remained steady; these areas also bought more HK enamelware, textiles, knitwear, and other consumer goods from Singapore and other Malayan ports. Imports from Indonesian ports remained slow because dealers here found Indonesian rattan, groundnut oil, sesame, raw sugar and other staples were either too expensive or difficult to get.

Trade with Thailand: Exports showed no sign of improvement and totalled only about 5,000 tons consisting chiefly of Chinese window glass, sewing machines, cotton textiles and paper. There were also orders for HK products (enamelware, knitwear, cotton textiles) and steel products but quantities involved were very small. This was partly caused by tight money in Bangkok and the approach of rainy season. Price drops in Thai markets (brought about by liquidation under tight money) discouraged traders there from importing more HK and Chinese products from here; many Thai importers refused to take delivery of cargo shipped there when prices in Bangkok dropped to levels below costs of these consignments. Authorities in Bangkok also encouraged traders there to import Chinese products direct from China in order to save import expenditure. On the other hand, imports of Thai rice, feather, live cattle, beans, hide, teak square and logs totalled 15,000 tons; rice constituted the major portion of the tonnage. HK's deficit in trade with Thailand further increased!

Trade with Korea: Seoul earmarked US\$8 m from US Aid Funds for essential imports including rayon yarn, paper, non-ferrous metal, timber, wool-tops, etc.; mostly for purchases from US and other manufacturing countries. Orders reached here covered only small quantities of selective items of paper, pharmaceuticals, chemicals, and metals. Development of trade with Korea is up against many difficulties. Demand from Korea for paper is strong but local stock short, replenishments difficult to get and cost advanced while buying offers are kept low by Seoul in line with competitive quotations direct from Japan, Europe and other sources. The number of orders from Korea for synthetic fibres, textiles, woollen yarn, pharmaceuticals, etc. is dropping because Seoul is buying these items more from Japan and other producing countries.

Trade with Taiwan: Taiwan grey cloth enjoyed encouraging volume of local consumption as well as strong demand in the local market from SE Asia. Indications are that Taiwan will send more light industrial products (straw board, grey cloth, linen, electric fans, sugar) and less staples (garlic, feather, etc.) to HK; from here, Taiwan will buy more essential supplies (metals, chemicals, pharmaceuticals, machinery and equipment) and less consumer goods. However, it is doubtful that exports to Taiwan could be improved to any considerable degree because Taiwan prefers to deal direct with Europe and SE Asia whenever possible. In Taipei last month, government officials discussed with trade missions from Iran and France the improvement of trade with these countries: Iran wanted to sell more oil against imports of more sugar while France offered to buy more tea, citronella oil and other staples provided Taiwan would import more French pharmaceuticals, chemicals, fertilizers etc.

Trade with Malaya: Exports of HK knitwear, textiles, metalware and foodstuffs of Chinese and local origin to Malaya (including Singapore) totalled a little over 10,000 tons. This record is slightly lower than previous month; prospects uncertain in view of the growing volume of direct trade between Singapore and China. On the other hand, the flow of HK products to Indonesian market outside Java island via Singapore and other Malayan ports might increase. In entrepot business, Singapore provided keen competition to HK and during the month beat HK in supplying Taiwan sugar to Burma. Imports of firewood, charcoal, rubber, coconut oil, canned food, used tyre from Singapore and Malaya remained on a restrictive volume.

Trade with the Philippines: In addition to barter purchases, Manila allocated limited amount of foreign exchange for imports of cotton textiles, knitwear, metalware, steel plate, galvanized wire and pipe, paint and foodstuffs from here. Imports under bar-

ter arrangements consisted chiefly of mangoes and groundnut kernel. Manila was considering to conclude bilateral agreement with HK to balance HK-Phil trade which gave Manila an average monthly deficit of \$2.2 million during first 3 months this year. Dealers here are not in favour of this move because it will mean that HK must buy more sugar, mangoes, rice bran, timber and other staples from the Philippines before they can ship more exports there. Strict import restrictions in the Philippines forced smugglers to use all illegal routes and methods for sending prohibited items there. Manila recently reported that hundreds of parcels from HK to various cities in the Philippines contained watches and other undeclared items.

Trade with Cambodia, Laos and Vietnam: Heavy imports of rice, beans, maize, feather, rice bran, sesame, live cattle, scrap iron, etc. from Cambodia enabled Phnompenh to buy more cement, textiles, paper, pharmaceuticals, sugar, window glass, foodstuffs and other supplies from here. Demand further improved after the partial lifting of price control in Cambodian markets had stimulated prices there making imports from HK more profitable for Phnompenh merchants. More enquiries reached here towards month-end after authorities there relaxed control over imports financed with self-provided foreign exchange.

Vientiane allocated more US Aid Funds for essential imports; traders there however sent here more enquiries than orders for wheat flour, cotton cloth, galvanized iron sheet, machinery and other industrial supplies and equipment; transactions handicapped by low counter-offers from Laos.

Cargo movements between HK and Saigon remained slow; small consignments of red bean, maize, feather, eggs and sea food reached here in exchange for insignificant quantities of pharmaceuticals, wines and provisions, cement and other building materials, wheat flour and other foodstuffs. In addition to barter restrictions, the pressure against Chinese merchants there adversely affected HK-Saigon trade.

Imports of rice, feather, sea food, tea, aniseed star, cassia, herb medicines, woodoil, and other staples from North Vietnam remained steady against exports of chemicals, pharmaceuticals, gunny bags, iron wire nail, electric appliances, cotton textiles, chemicals, paper and foodstuffs. Competition from Japan in barter dealing with North Vietnam continued to intensify; Japanese shipping companies routed several vessels to direct sailings between Haiphong and Japanese ports to facilitate Japan/NV trade.

Trade with India and Pakistan: Exports to India showed slight improvement; principal items were Chinese paper, cassia, window glass and HK manufactured metal ware and plastic products. From India, HK imported about 1,000 tons of cotton, yarn, cloth

and shellac. Authorities there suspended exports of raw cotton on April 1 but deliveries against licences previously approved were not affected. Imports of cotton yarn and cotton from Pakistan were much heavier than exports of HK products and other items to that country. Towards month-end, yarn imports slowed down on account of increased indents.

Trade with Burma: Exports to Burma continued to improve; principal items were old newspaper, glass bottles, pharmaceuticals, menial crystal, felt hats, paper, electric appliances, sewing machine, vacuum flask, plastic products, torch enamelware, aluminum-ware and cotton textiles. Dealers here expect further improvement in exports to Burma because Rangoon will make at least part of her purchases with US Aid Funds from HK in the near future.

Trade with Ceylon: A shop will be established in Kowloon on Chatham Road to display Ceylon products including rubber, marine products, coconut, charcoal and minerals. Exports to Ceylon remained slow. Colombo ordered 10 million rupees worth of cement, canned food, potato, textiles and building materials from China at prices lower than elsewhere. These purchases help China to reduce her debt of 100 million rupees to Ceylon from the rubber-rice trade. There is very little hope for HK to compete with China in supplying Ceylon with building materials and other items which Peking is offering.

Trade with Africa: Demand from East Africa for rainwear, metalware, cotton textiles and bed sheets remained steady. There were also more orders from South Africa for rayon piece goods, textiles, metals, scientific instruments, rainwear, toilet articles and other consumer goods. West Africa made insignificant volume of purchases from here during the month but export shipments covered by previous orders totalled 2,000 tons. Dealers here reported that competition in exports to African markets intensified recently because more firms were sending goods there. Imports came from E.A. and S.A.; principal items were raw cotton, maize, tanning extract, cow hide, groundnut kernel, ivory, tobacco and canned food.

Trade with Okinawa: Freight for cargo to Okinawa advanced by 10% on April 15. Foodstuffs, wearing apparel, provisions and toilet articles remained principal exports to this market but the volume was much less than last year.

Trade with North Borneo: Imports of timber, firewood, rubber and scrap iron far exceeded exports of cement, used gunny bags, foodstuffs and other commodities. Re-exports of HK products from North Borneo to the Philippines remained restricted on account of the strict preventive measure maintained by Manila.

Trade with Australia: The recent relaxation of import control in Australia brought a slight rise in HK exports

to that country. Further improvement depends on the ability of factories here to make their products more attractive, in price and quality, to Australian consumers. The volume of exports, though improved, still lagged far behind imports of wooltops, wheat and flour, hide, live hog and cattle, frozen meat and dairy products from that destination.

Trade with Middle East: HK products as well as Chinese paper, glass and other light industrial products enjoyed steady demand from Aden, Port Sudan, Al Kuwait and other M.E. ports. Further improvement in demand from these markets was anticipated but the rise would be handicapped by growing competition from China and Japan.

China Produce: Supply of oilseeds and beans from SE Asia, particularly from Cambodia, remained steady; China, too, shipped here small quantities of soy bean forcing prices here slightly lower but later improved when orders from Japan, Singapore and local buyers absorbed most of the stock here. Red bean retained demand from Singapore and Philippines, black bean steady on local demand while green pea firmed on low supply, strong demand from Taiwan and Japan, and advanced indents. Rosin, maize, cassia, sesame, woodoil, garlic, retained strong demand from Japan, Singapore, Europe, Taiwan and other sources; prices firm. The volume of business in the local market however was much less than last year; many transactions in rosin, turpentine, garlic, woodoil, etc. were concluded in forwards for shipments direct from China to buying countries. This tendency is growing.

Metals: Heavy stock and fresh arrivals from UK and Europe kept prices of round bars and a number of other items at low levels. Market improved later with orders from China, Philippines, Thailand, Indonesia, Taiwan and Korea covering round bars, iron wire rod, steel wire rope, iron nail, galvanized iron sheet, black and tin plates, mild steel plate and galvanized iron wire. Japan, too, began absorbing round bars from here but the volume was not substantial and buying offers very low. Towards month-end, prices for most items firmed because dealers here booked almost no supply during April and imports in May will be much less while replenishment cost remained high. On the other hand, prices could not return to previous high levels because buying offers from Japan and China are kept at very low levels. Scrap iron first buoyant under strong demand from Korea, Japan and local steel mills but when US quotations dropped and Japan's buying counter-offers marked further down, prices here were forced to record lows.

Paper: Prices of most items were firm because (1) replenishment cost advanced, (2) supply from China and Japan curtailed, (3) stock here short and (4) demand from Korea and SE

Asia strong though selective. European and American products of newsprint, woodfree, sulphite, kraft, cellophane, glassine, aluminum foil and duplex board which Korea favoured, were particularly short in stock restricting the volume of trade to a considerable degree. Thailand, Burma, Indonesia and other SE Asian countries wanted Chinese and Japanese newsprint, wood-free, poster, m.g. cap, manifold, bond and straw board but the difficult supply situation limited the turnover. As a result of these developments, Korea made more direct purchases from Europe while Cambodia and Philippines approached Japan for supplies.

Pharmaceuticals: Demand from Korea, China and SE Asia remained selective and spasmodic. Dealers here were reluctant to book large replenishments causing a constant shortage of items which suddenly attracted orders from these sources. During second half month, influenza epidemic here brought unexpected business to local dispensaries in sales of patent medicines including aspirin, APC, cough drops and syrup, Albamycin and other drugs; prices much stimulated. Other popular items were penicillin preparations, dihydrostreptomycin, isoniazide tablet, sulfonamides, saccharine crystal, glucose, phenacetin, PAS, amidopyrin, vitamins and caffeine alkaloid.

Industrial Chemicals: The sluggish market registered more enquiries than orders from Taiwan for sodium bicarbonate, sodium nitrate, sodium bichromate, stearic acid, petrolatum, formalin, tanning extract, gum copal; from China for sodium cyanide, citric acid, gum arabic; from Korea for citric acid, acetic acid, lithopone, shellac; from South Vietnam for red phosphorus, chlorate of potash; and from local factories for sodium hydrosulphite, magnesium carbonate, calcium carbonate, calcium hypochlorite, caustic soda, glycerine, linseed oil, sulphur powder and ultramarine blue. Prospects for improvement doubtful because buyers will only order from here if prices can be forced down while dealers refuse to oblige on account of high replenishment cost.

Cotton Yarn & Cloth: Spot transactions of HK yarn and cloth were quiet because supplies were short; mills here were fully booked with orders from UK, US, Philippines, Burma, Indonesia and Australia. Pakistan yarn firmed on increased indents and slower imports during second half month. Japanese yarn was dull but prices steady on limited supply. Chinese grey cloth first declined under heavy stock but later improved when local demand strengthened, orders from Indonesia absorbed part of the stock, and supply from China curtailed on account of shortage on the mainland. Japanese grey recovered from early drops when cost marked up and demand from Cambodia, South Vietnam, Indonesia and local factories improved. Taiwan grey became popular

in the local market, in addition to local factories, Cambodia provided steady demand.

Rice: Warm weather affected local consumption. Imports from Thailand remained heavy. There were also supplies from China, North Vietnam, Cambodia and Burma. Prices eased slightly during the month; sharp drops not likely if Bangkok quotations remain firm.

Wheat Flour: HK products steady on high cost of wheat and demand from Korea, Singapore and Burma. American flour firm on short stock and orders from SE Asia. Canadian and Australian brands arrived in large quantities but prices steady on enquiries from SE Asia. In both local sales and exports, HK flour is becoming more popular than imported brands.

Sugar: In spite of continuous heavy arrivals during the month, Taiwan sugar firmed on bullish international market and demand from Cambodia, North Borneo, Korea, Burma and South Vietnam; speculators, too, provided stimulation especially towards month-end when unconfirmed reports indicated that neither Taiwan nor Philippines would accept new orders in the near future. Taikoo and other products were also kept at firm levels; local demand improved with the approach of Summer.

Cement: Japanese products dominated export sales because supply from China difficult to get while production capacity of Green Island remained far below demand. With building projects getting more ambitious and numerous, local demand for cement will remain extensive.

Window Glass: Local stock of Chinese sheet glass dwindled as demand from North Borneo, Thailand, Indonesia, Africa and Burma improved; dealers were unable to get enough supplies from North China to meet the demand and there were no quotations at month-end. Orders from Cambodia, South Vietnam were chiefly for Japanese brands. Imports of this item from Europe continued to drop.

Gunny Bags: Demand from Haiphong for new bags weakened; prices steady because stock here low and incidents firm. Used bags retained demand from Thailand, Burma and Indonesia but quantities involved were insignificant.

Fresh Hen Eggs: Prices of fresh hen eggs continued to decline under heavy supply from China; warm weather, too, prevented quotations from going up.

COMMODITY PRICES ON 30-4-57

CHINA PRODUCE

Aniseed Star—Kwangs, export, \$85 picul; Haiphong, \$60.50. **Rice Bran—Cambodia,** lower quality, \$24.50 picul; Philippines, new, \$18. **Wheat Bran—HK,** white, \$28 picul; Rangoon, \$27.60. **Camphor Tablets—HK:** 1/16-oz tablets, \$3.40 lb; 1/8-oz, \$3.30; 1/4-oz, \$3.25; 1/2-oz, \$3.20 lb. **Cassia** —Broken: Kwangtung, 1st, export packing, \$65 picul. **Lignae:** Kwangtung/Kwangs, 1-cwt bale, \$84 picul; 80-lb bale, \$84. **Coi Fibre—Szechwan,** £125; South China, £116; both cif Jap per metric

ton, forward. **Feather—Duck:** export quality, NN \$85, \$610 per picul ex-stock or 65 5d per lb c & f Europe. **Goose:** HK processed GGS 90%, 8s 6d per lb c & f Europe. **Gypsum—Hupei,** white, \$145 metric ton. **Kwangtung,** brown, \$120. **Alum Chekiang,** \$300 per mt. **Hog Bristle—Tientsin:** No. 55, black, 28s 4d lb c & f Europe; No. 28, 24s 1d. **Shanghai,** white, 17s 6d per lb c & f Japan. **Rosin—South China,** mixed, A grade, \$101 per quintal; X grade, £77 per m.t. c & f Japan. **Dried Chili—Szechwan,** new, \$140; Hunan, new, \$135; Kweichow, new, large, \$300; Kansu, new, \$78; oil per picul. **Seagras Mat—Kwangtung,** 108 warps, twisted white matting, 5/4 x 40 yds. \$65 per bag; brown/white matting, \$63. **Twisted Seagras Cord—Kwangtung,** No. 2A, \$45 picul, forward. **Sesame—Africa,** yellowish white, \$82; Cambodia, brown, \$56, black, \$57; Thailand, black, \$63; South Vietnam, brown, \$56.50; all per picul. **Spun Silk Yarn—Shanghai:** 210/2, \$2.562; 140/2, \$2.329; 120/2, \$2.260; all per case of 50 kilos. **Aniseed Oil—Kwangs,** in drum, \$1.30 per picul; Haiphong, export quality, \$1.160. **Camphor Oil—Taiwan,** in drum, \$1.40 picul; Kwangs, in drum, \$1.50. **Cassia Oil—Kwangtung/Kwangs,** 80-85%, in drum, \$1.350 picul; Haiphong, in drum, forward, \$1.300. **Citronella Oil—Taiwan,** \$4.80 lb. **Peppermint Oil—Taiwan,** July forward, \$12.50 lb; Shanghai, \$22. **Teased Oil & FFA,** in bulk, spot, \$140 picul or £180 per long ton c & f Europe. **Turpentine—South China,** drum, 1st grade, May/June forward, £100 per m.t. c & f Japan. **Woodoil—China:** in bulk, \$177 picul spot; \$2.90 long ton forward; £183/10/0d m.t. c & f Japan. **Almond—Tientsin,** in drum, \$168 picul. **Bitter Peppermint Oil—Taiwan,** July forward, \$245 lb; Shanghai, \$22. **Teased Oil & FFA,** in bulk, spot, \$140 picul or £180 per long ton c & f Europe. **Gallnut—South Korea,** \$700 picul. **Dried Ginger—Kwangs,** new, \$138 picul. **Hoo Seed—Tientsin,** new, \$55 picul; Kiangsu, old, \$40. **Maize—S. Vietnam,** yellow, \$25.50; Cambodia, yellow, \$24.60; Thailand, yellow, \$24.50; Burma, white, \$22; all per picul. **Menthol Crystal—Shanghai,** \$43 lb; Taiwan, July forward, \$32.80. **Groundnut Oil—Africa,** 1st quality, in drum, \$175 picul; China, Tsingtao, \$140; Cambodia, \$164; Indonesia, old, \$145; Thailand, \$165 to \$178. **Soyabean Oil—Jap,** refined, 20-day forward, \$128 picul; Thailand, refined, \$115. **Black Bean—Shanghai,** \$97 picul. **Horse Bean—Kalgan,** new, \$56 picul. **Green Pea—Burma,** small, \$49; Szechwan, 1st, \$55; Anhwei, \$51; Thailand, medium, 2nd, \$53; all per picul. **Long Bean—Saigon,** brown, \$42; Kweichow, \$29; Rangoon, new, \$33; all per picul. **Red Bean—Haiphong,** \$42; Tientsin, new, \$37.50 picul. **Soya Bean—Dairen,** \$47.50; Shanghai, \$52; Phenomenon, new, \$42; all picul. **String Bean—Rangoon,** large, \$42 picul. **Groundnut (chilled)—Africa,** medium, new, \$94; Cambodia, \$86; Philippines, A-1, \$90.50; Tsingtao, unsorted, \$102 and 38/40, \$110; all picul.

METALS

Mild Steel Angle Bars—Europe: 1/8" x 1 1/4", \$53.50 picul; 3/16" x 1-3/4", \$53.50; 1/2" x 4", \$55. **M.S. Flat Bars—Europe:** 1 1/2" x 4", \$55. **M.S. Flat Bars—Europe:** 1 1/2" x 4", \$55. **M.S. Flat Bars—Europe:** 1 1/2" x 4", \$55. **M.S. Round Bars—Europe:** 1/4" x 3/8" dia, \$52 picul; 1/2" dia, \$45.50; 5/8" to 1" dia, \$44; 1 1/4" dia, \$48; 1 1/2" dia, \$51. **HK:** 1/4" to 1" dia, \$54. **M.S. Square Bars—Europe:** 1/2", \$58 picul; 3/4", \$61; 1", \$64. **Galvanized Steel Sheet—UK,** 4' x 8', 1/16", \$61. **Galvanized Steel Sheet—UK,** 4' x 8', 1/16", \$61. **Steel Wire Rope—HK,** 24 x 6 x 7/20", 1 1/4", \$1.70 lb; 1 1/2", \$1.50; 1-3/4", \$1.40; 2", \$1.30; 2 1/2", \$1.20; 3", \$1.10. **UK,** 24 x 6 x 7: 1 1/4", \$1.70; 2", \$1.40; 2 1/2", \$1.25. **Flat Plate Waste, Waste—Coked:** US, 18" x 24", 1 ton skid, \$107 per 200 lbs; UK, 18" x 24", 1 ton skid, \$96 per 200 lbs; UK, \$94. **Misprint:** UK, 18" x 24" and larger, \$55 per picul. **Blackplate Waste, Waste—UK,** 18" x 24" and larger, G28/G33, \$44 picul. **Flatplate—UK,** 20" x 28", \$140 per case of 200 lbs; 12s shts, with tin-lining, G1 Sheet—Jap, 3' x 7': USSG \$24, 60 lb; USSG 28, 61c lb; USSG 28, 64c lb; USSG 32, 66c lb. **Blackplate—Jap,** 3' x 8': G18, \$62; G2, \$62; G24, \$66. **Pig Lead—88% alloy,** \$195 per picul. **Black Iron Wire—Europe:** G18/G20, \$54.50 picul; G17/G21, \$54. **G.I. Wire—Europe or Jap,** per picul: G8 and G10, \$60.50; G12, \$60; G14, \$61; G16, \$66.50; G18, \$78; G20, \$78; G22, \$80; G24, \$78. **Steel Wire Rod—Europe:** 1st grade, 3/16",

\$47 picul and 1/4", \$46; 2nd grade, 3/16" to 3/8", \$42. **Black Pipe—Europe:** 1/2" dia, 35c; 3/4", 46c; 1", 67c; 1 1/2", \$1.08; 2", \$1.45; all per foot. **G.I. Pipe—Europe:** 1/2" dia, 45c; 3/4", 55c; 1 1/2", \$1.34; 2", \$1.75; all per foot. **Steel Box Strappings Jap:** blue annealed, 5/8", G27, 60c per lb; cold rolled, black, 3/4", G20, 65c picul. **Scrap Iron—Cast iron scrap,** \$31 picul. **Wrought iron scrap,** 2nd choice, \$240 picul; 1st choice, \$420. **Ship salvaged iron plate,** 3/8", \$42 picul; 1/2" and over, \$43.

PAPER

Aluminum Foil—Thailand, 4 1/4" x 6-3/4", \$2.50 lb; Germany, \$2.60. **Thick:** UK, 50 gr, 20" x 26", 28-lb ream, golden, \$88 ream; Europe, silver, 76 ream. **Duplex Board—(one side coated)—250 gr,** 240-lb ream, 31" x 43", Sweden, \$157 ream; Norway, same price. **Chip Board—(one side)—Norway:** 290 gr, 280-lb ream, 31" x 43", \$7c lb; 250 gr, 240-lb ream, \$134 ream. **Cigarette Paper—In ream,** 20" x 30", 24 gr, UK, \$14.50 ream; Japan, \$14.50 ream; Japan, \$14.50. **In bobbin,** 29 mm x 6.00 m: US, \$18 bobbin; France, \$12. **Cellophane—(30 gr)—38" x 39":** UK, \$84 for colorless and \$105 for colored, per ream; Japan, \$35.50 ream; Italy, \$80; France, \$79.40; \$27". **Italy, colorless, \$113; France, \$112. Art Printing—One side,** 31" x 43", 90 gr, 85-lb ream, price per ream: UK, \$97; Italy, \$95; Holland, \$91.50; Japan, \$81. **Two side,** 31" x 43": UK, \$95/100 gr, 90/110 lb ream, \$115 lb; Japan, \$96 lb. **Woodfree Printing—(31" x 43")—Europe:** 50 gr and below, 43/48 lb ream, \$25.50; 60 gr and over, 57/60 lb ream, \$26; 90/100 lb ream, 70c; 50 gr, 48-lb ream, 72c. **China:** 60/90-lb ream, 65c; ordinary, 60c. **Poster—(31" x 43")—Europe:** 60/70 gr, 50/68-lb ream, 80c lb; Japan, similar quality, 77c. **China, 195c kilo, 42-lb ream, \$21.50 ream and 21 1/2 kilo, \$22.50. Tissue—Europe:** 25" x 44", 17 gr, 18-lb ream, \$17 ream. **Newsprint—in reels,** 31", 50/52 gr, US, 52c lb; Canada, 51c; China, 52c; Japan, 49c; Norway, 51 1/2c; Austria, 51c; Finland, 51 1/2c. **In reams,** 31" x 43": Europe, 50/52 gr, 50-lb ream, \$23 ream; Japan, 50 gr, 48-lb ream, \$25; China, 50 gr, 48/50-lb ream, \$26.50. **Flint—Colored,** 20" x 30", \$25.50 ream; 60/65 gr, 28-lb ream, \$35.50 ream; China, 31-lb, \$35. **Prime Glassine—Colorless,** 30" x 40", price per ream: Italy, 30 gr, 26-lb ream, \$34; Austria, 26 gr, 22-lb ream, \$34. **Colored:** Europe, 30 gr, 26-lb ream, \$39. **M.G. Pure White Sulphite—(35" x 47")—Europe:** 34 gr, 40-lb ream, \$29 ream; 50/90 gr, 60/100-lb ream, 73c lb. **M.G. White Sulphite—Austria,** 40 gr, 47-lb ream, 35" x 47", \$32.50 ream; Germany or Czech, \$31. **M.G. Pure Ribbed Kraft—(35" x 47")—Europe:** 40 gr, 47-lb ream, \$34 ream; 39 gr, 46-lb ream, \$31.50 ream; 60/160 gr, 75/160-lb ream, 74c lb; Japan: 33/34 gr, 39/40-lb ream, \$28.50 ream; 38/39 gr, 45/46-lb ream, \$31 ream; 60/100 gr, 58/120-lb ream, 73c lb. **M.G. Ribbed Imitation Kraft—Europe:** 60/150 gr, 75/160-lb ream, 37" x 45", 37c lb. **M.G. Ribbed Kraft—China:** 48-lb ream, 35" x 47", \$25.50 ream. **Bond—White,** 22" x 34", 60 gr, 32-lb ream; Europe, \$25.50 to \$32 ream; Japan, \$22 to \$23. **Colored:** Europe, \$33; Japan, \$25.50. **Manifold—White,** 22" x 34", 30 gr, 16-lb ream; Europe, \$18 to \$18 ream; China, \$12.30. **Colored:** Europe, \$19.50; China, \$14.

PHARMACEUTICALS

Penicillin Ointment—UK, \$5.40 per doz 1-oz tubes of 2,000 units per oz. **Penicillin Oral Tablets—50,000 units per tablet:** UK, 1960, \$1 per carton of 12 tablets; US, \$1.80 per bottle of 12's and \$2.30 per carton of 12's. **Procaine Penicillin-G in oil—300,000 units per cc:** UK, 1960, \$1.35 per 10-cc vial; US, \$2.45; France, \$1.60; Belgium, \$1.20. **Dihydrostreptomycin—UK:** 1960, 62c per 1-gm vial; 1961, 80c. **France, 1960, 68c.** **US, 1960, 92c.** **Japan, 1960, 65c.** **Sulfadiazine Powder—(per lb)—Australia,** 28-lb tin, \$23. **France, 50-kilo drum and 10-kilo tin,** \$24. **UK, 1-cwt drum, \$23.** **Sulfaguanidine Powder—(per lb)—UK,** 50-kilo drum, \$7.60. **France, \$7.40.** **Czech, \$7.20.** **Sulfathiazole Powder—(per lb)—UK,** 1-cwt drum, \$10.70. **Italy, 100-kilo drum, \$10.40.** **Germany, 50-kilo drum, \$10.80.** **Sulfanilamide Powder—(per lb)—UK,** 50-kilo drum, \$3.90. **Germany, \$4.** **Isoniazide Tablets—UK,** \$4.40 per bot of 100's x 100 mg and \$2.20 for 100's x 50 mg. **PAS Powder—France,** \$5.15 per 250-gm tin. **Italy, \$18 per kilo.** **Aspirin Powder—UK,** 1-cwt bag, \$5.30 lb. **Germany, 50-kilo drum, \$3.25 lb.** **Caffeine Alkaloid—Germany, powder in 50-kilo drum, \$13 lb.** **Cod Liver Oil Capsules—UK,** \$93.30 per doz bot of 800's and \$33 per doz bot of 100's. **Glucose Powder—Holland, 200-lb drum, \$1.07 lb.** **Phenacetin—UK,** 50-kilo drum, crystal, \$4.90 lb. **Santonin—UK,** 10 kilo tin, \$12.50 oz. **Vitamin B1 Powder—Germany,** \$250 per 1-kilo tin.

INDUSTRIAL CHEMICALS

Acetic Acid (78-80%)—Germany, 25-kilo carboy, 72c lb. Citric Acid (crystal)—UK, 1-cwt keg, \$1.90 lb. Cresylic Acid—UK, 448-lb drum, 70c lb. Stearic Acid—Holland, 112-lb double bags, needle form, \$1.13 lb. Sulphuric Acid—HK, 750-lb drum, 27c lb. Bicarbonate of Soda (refined)—China, 50-kilo bag, \$21 per bag. HK, 100-kilo bag, \$48 per bag. Borax—US, crystal, 50-kilo paper bag, \$60 bag. UK, granular, 50-kilo paper bag, \$30 bag. Calcium Carbonate—Japan, heavy, 33-kilo bag, \$140 per ton Calcium Hypochlorite—Japan, 60%, 50-kilo drum, 60c lb. Caustic Soda—China, 200-kilo drum, \$120 drum. Chlorate of Potash—France, 1-cwt drum, 52c lb. UK, 50-kilo case, 52c lb. Chrome Alum—Czechoslovakia, 200-kilo barrel, 52c lb. UK, 4½-cwt drum, 62c lb. Formalin—UK, 504-lb drum, 40c lb. Glycerine—Holland, s.g. 1.260, 250-kilo drum, public godown stock \$1.69 lb. Gum Arabic—Sudan, 100-kilo bag, \$1.15 lb. Gum Copal—Malaya, No. 1, 140-catty gunny bag, \$220 picul. Gum Damar—Malaya, No. 1, 140-catty gunny bag, \$305 picul. Hypophosphite of Soda—Germany, 1-cwt gunny bag, 30c lb. UK, 50-kilo paper bag, 30c lb. Linseed Oil—UK, 400-lb drum, \$148 picul. Indian, \$148. Lithopone (30%)—Holland, 50-kilo paper bag, 39.4c lb. Italy, 25-kilo paper bag, 35½c lb. Magnesium Carbonate—Japan, light, 25-kilo bag, 59c lb. Petroleum Amber—Holland, 400-lb drum, 33c lb. US, 377-lb drum, 40c lb. Red Phosphorus—Canada, 11-lb tin, \$310 per case of 10 tins. Shellac—India, No. 1, 164-lb case, \$265 picul. Sodium Bichromate—Australia, 560-lb drum, 82c lb. Sodium Cyanide—UK, 50-kilo drum, \$1.15 lb. Sodium Hydrosulphite—UK, 50-kilo bag, \$170 picul. Sodium Nitrate—Germany, 50-kilo gunny bag, \$29 picul. Superphosphate—Germany, 50-kilo bag, \$33 picul. Tanning Extract—Mimosa, 105-lb gunny bag, 55c lb. Quebracho, 105-lb bag, 78c. Ultramarine Blue—Italy, 1-cwt barrel, \$112 picul. Zinc Chloride—Belgium, 1-cwt drum, \$1.540 per ton.

COTTON YARN

Hongkong Yarn—10 counts, \$860 to \$960. 12's, \$900 to \$1,000. 20's \$1,000. C. \$1,140. 30's, \$1,380 to \$1,440. 32's, \$1,400 to \$1,720. 40's, \$1,500 to \$1,820. 42's, \$1,640 to \$1,680. Pakistan Yarn—(per bale)—10's, \$810 to \$815. 20's \$865 to \$890. 22's, \$1,160 to \$1,265. Japanese Yarn—32's, \$1,390 to \$1,420. 40's \$1,500 to \$1,530. 42's, \$1,620 to \$1,650.

COTTON PIECE GOODS

Grey Cloth—China: 63 x 64, 36" x 40 yds, \$35 pc; 72 x 69, 38" x 40½ yds, \$34 pc. HK: 60 x 56, 36" x 40 yds, \$36.50 pc; 60 x 60, \$37 pc. India: 40 x 36, 35" x 40 yds, \$23.40 pc; 44 x 48, 35" x 40 yds, \$25.50 pc. Japan, 72 x 89, 38" x 40½ yds, \$34.50 pc. Grey Jean—China, \$30.50 pc. HK, 84 x 48, 30" x 40 yds, \$31 pc. Dyed Drill—2½x, 118 x 56, 36" x 40 yds, \$2.50 yd. White Cloth—Japan, No. 16000, \$48 pc; No. 10000, \$47. HK, 36" x 42 yds, \$41 pc. Poplin—Japan, 36", \$1.30 to \$1.56 per yd.

RICE

White Rice 100% Whole—Thailand, old, 1st, \$59 picul; new, 1st, \$55.60. White Rice—Thailand: special-3%, new, \$52.30; A-5%, new, 1st, \$51.70; B-10%, new, 1st, \$47.80; C-15%, new, 1st, \$47.30; E-25%, new, \$42.90. Cambodia: 1st, \$45.50; 2nd, \$40.90. North Vietnam, \$44. Canton: 1st, \$52.30; 2nd, \$42.50. Burma, old, \$36.60. Broken Rice—Thailand: B-1 special, old, \$40.30 and new, \$38.30; C-1 special, old, \$32 and new \$31.80; C-1 ordinary, No. 1, \$30.50.

WHEAT FLOUR

Australian Brands: \$38 per 50-lb bag; \$13.30 per 50-lb bag. American Brands: \$30 per 100-lb bag; \$15 to \$17.20 per 50-lb bag. Canadian Brands: \$37 for 100-lb bag; \$17 to \$18 per 50-lb bag. HK Brands: \$12.50 to \$17.50 per 50-lb bag.

SUGAR

Granulated Sugar—Taiwan: refined, No. 24, \$64.50 picul; No. 18, \$61. Taikoo: fine, \$70.50; fine, grade B, \$64.10. Philippine, brown, \$61. Sugar Slab—HK brown: 1st quality, \$54.50 picul; 2nd quality, \$52.50. China, 2nd, in jar, \$53. Malt Sugar—Thailand, \$40 picul. Sugar Candy—HK, 2nd, \$71 picul.

CEMENT

Hongkong Brands—Emeraldcrete, rapid hardening, 112-lb bag, \$8.20 bag. Emerald: \$7.20 per 112-lb bag; \$6.40 per 100-lb bag. Snowcrete, white cement: \$70 per 375-lb drum; \$18.50 per 1-cwt bag. Japanese Brands—Ordinary cement, \$5.90 per 100-lb bag. White cement, \$15 per 1-cwt bag. Chinese Cement—Five Rams, 45-kilo bags, \$119 per metric ton ex-ship, forward.

GUNNY BAG

Heavy Cees—Indian, 43" x 29", 2½-lb with a 2" green stripe, \$1.66 per pc. spot and \$1.64 May forward. Used Bags—2½-lb, 3 blue stripes, \$1.20 pc spot.

FRESH HEN EGGS

Hunan, 30 kilo packing, \$131. Kwangtung 30 kilo packing, \$125. Hupeh, 26 kilo packing, \$115. All prices per 50-kilo. Retail Price about \$1 for 8 to 10 pcs, medium size.

WINDOW GLASS

Japan—16-oz, 100 sq ft packing, 70% 40" to 50" and 30% 51" to 80", \$24 per case. Poland—Similar quality and packing, \$24 case. Czechoslovakia—\$23.

HONGKONG COMPANY
INCORPORATIONS

Following new limited liability companies were incorporated during the fortnight ended April 6, 1957 (all capital is nominal and in HK\$):

Man Yau Teahouse and Restaurant Co.—Capital, 500,000; 338 Hennessy Road, Hongkong; Subscribers—Lam Chun Wai, 335 Hennessy Road, Hongkong, Merchant; Chung Kun Yue, 2 Shan Tung Street, Kowloon, Merchant; Ho Hing Cheung, 9 Yiu Tung Street, Kowloon, Merchant; Leung Man Cheung, 1147 Canton Road, Kowloon, Merchant. **L. D. Seymour and Co.**—Exporters and importers; Capital, 10,000; Alexandra House, Hongkong; Subscribers—Robert Frederick Kenneth Jones, 21 Tung Shan Terrace, Hongkong, Accountant; John Keith Watson, 1A Oxford Road, Kowloon, Accountant. **Lick Sang Godown**—Capital, 100,000; 5 Hing Lung Lane East, Des Voeux Road, West, Hongkong; Subscribers—Fung Yiu King, 14 Dragon Terrace, Causeway Bay, Hongkong, Merchant; Jieh-Yee Wu alias Ng Kit Yee, same address, Merchant. **Tai Kwan Boarding House**—Capital, 105,000; 41 Sai Yeong Choi Street, Kowloon; Subscribers: Li Kung Kin, 616B Sheong Yuen Ling, Merchant; Leung Shun, 22 Poplar Street, Merchant; Tsang Cho Yiu, 34 Nathan Road, Merchant; Mak Chun San, 728 Nathan Road, Merchant; Ho Chan Oi, 41 Sai Yeong Choi Street, Merchant; Chui Kim Ying, 41 Sai Yeong Choi Street, Merchant; Fung Iu Wah, 12 Sai Yeong Choi Street, Merchant; Mak Hing, 152 Wu Sung Street, Merchant; Mak Fan, 60 Ho Mun Tin Street, Merchant; Cheng Wai King, 11 Nam King Street, Merchant; Tang Kai, 37 Wai Ching Street, Merchant; Cheong Sik Wing, 41 Sai Yeong Choi Street, Merchant; Yu Chung To, 5 Chung Nam Street, Merchant; Leung Sheong Chun,

176 Shanghai Street, Merchant; Chui Pik Yuk, 41 Sai Yeong Choi Street, Merchant; Tsang Kam, 152 Prince Edward Road, Merchant; Fung Yat Cho, 259 Temple Street, Merchant. **Wing Hung Shoes Factory**—Capital: 150,000; 188 Tai Po Road, Kowloon; Subscribers: Young Yun Wah, 142 Nga Tsin Wai Road, Kowloon, Merchant; Chu Yiu Yan, 32 Takuling Road, Kowloon, Merchant. **The World Typewriter Co.**—Capital: 200,000; 46 Wellington Street, Hongkong; Subscribers: Poon Shing, 125 Gloucester Road, Hongkong, Merchant; Tsui Chak Tai, 84 Wharf Road, Hongkong, Merchant. **Overseas & Far East Shipping Co.**—Capital: 2,500,000; 310 Bank of East Asia Building, Des Voeux Road Central, Hongkong; Subscribers: Wong Shu-Tze, 18 Macdonnell Road, Hongkong, Merchant; Chang Lan-Sung, 45 Carnarvon Road, Kowloon, Merchant. **Beautex Industrial Co.**—Textile manufacturer; Capital: 1 million; 1021 Alexandra House, Hongkong; Subscribers: Yih Fong Zung, 306 Princes Edward Road, Kowloon, Merchant; Hwa Yates, 14A Sau Chuk Yuen Road, Kowloon, Merchant. **The Fir Line**—Shipowners; Capital: 10,000; 341 Alexandra House, Hongkong; Subscribers: William Charles Gomersall, 515A The Peak, Hongkong, Chartered Electrical Engineer; Alistair Drummond, 13 Shek O, Hongkong, Chartered Accountant. **Simmey's Food Factory**—Capital: 100,000; 604 Chinese General Chamber of Commerce Building, Hongkong; Subscribers: Chung King Pui, 8 Hennessy Road, Hongkong, Merchant; Chan Siu Kong, 556 Nathan Road, Kowloon, Merchant. **Tai Hing Knitting Factory**—Capital: 1 million; 275 Chatham Road, Kowloon; Subscribers: Wong King Yuen, 103 Hennessy Road, Hongkong, Merchant; Wong Kai Fou, 2 Valley Road, Hunghom, Kowloon, Merchant. **O. Kees Engineering Co.**—To deal in engines & motors; Capital: 500,000; 811-821 Holland House, Hongkong; Subscribers: Herbert Otto Kees, 72 Deep Water Bay Road, Hongkong; Company Director; Stanley King, 10F Wongneichong Gap Road, Hongkong, Company Director. **Le Chic Co.**—To deal in jewellery and cosmetics; Capital: 100,000; Champagne Court, Kowloon; Subscribers: Wong Pak Tao, 53 Kimberley Road, Kowloon, Merchant; Lie Pea Ying, 53 Kimberley Road, Kowloon, Married Woman.